

Also, petition of John Karn and 4 others, of Buffalo, N. Y., opposing tax on tea or coffee—to the Committee on Ways and Means.

Also, petition of A. J. Thompson and 49 other members of Local No. 4, International Photo Lithographers' Union, of Buffalo, N. Y., asking additional protection on lithographic products—to the Committee on Ways and Means.

By Mr. DUREY: Papers to accompany bill granting an increase of pension to Abram Mussey—to the Committee on Invalid Pensions.

Also, papers to accompany bill granting an increase of pension to Hiram Babcock—to the Committee on Invalid Pensions.

By Mr. FORNES: Petition of W. J. Butterfield, of New York City, favoring duty on tea—to the Committee on Ways and Means.

Also, petition of Hawley & Hoops, of New York City, favoring reduction of tariff on crude cocoa—to the Committee on Ways and Means.

By Mr. FULLER: Petition of George Staber, of New York City, against increase of duty on print paper—to the Committee on Ways and Means.

Also, petition of Stereotypers' Union of Chicago, Ill., for modification of postal regulations about second-class matter—to the Committee on the Post-Office and Post-Roads.

Also, petition of Edward & John Burke (Limited), of Chicago, Ill., against increase of duty on stout and ginger ale—to the Committee on Ways and Means.

Also, petition of Rosenthal, King & Hirsch, of Chicago, Ill., for duty as follows: Iron ore, 25 cents per ton; pig iron, \$3 per ton; scrap iron, \$3 per ton—to the Committee on Ways and Means.

Also, petition of Isaac Prouty & Co., of Spencer, Mass., favoring free hides—to the Committee on Ways and Means.

Also, petition of J. Schmitt & Son and others, of New York City, favoring a fair protection on precious stones—to the Committee on Ways and Means.

Also, petition of Jobst Bethard Company, of Peoria, Ill., for a reduction of proposed duty on olives in bulk—to the Committee on Ways and Means.

By Mr. GARNER of Texas: Petition of citizens of Caldwell, Tex., opposing duties on essential oils—to the Committee on Ways and Means.

By Mr. GOULDEN: Petition of New York Produce Exchange of New York City, favoring reduction of tariff—to the Committee on Ways and Means.

Also, petition of citizens of New York City, at mass meeting, urging the termination of convention with Russia for the extradition of criminals—to the Committee on Foreign Affairs.

Also, petition of Charles F. Biele, of New York City, urging reduction of tariff on glass—to the Committee on Ways and Means.

Also, petition of Farm Life, favoring free lumber—to the Committee on Ways and Means.

Also, resolutions of Kitchen Post, No. 60, Grand Army of the Republic, of Yonkers, N. Y., favoring raising U. S. battle ship *Maine* in Cuban waters—to the Committee on Appropriations.

By Mr. HANNA: Petition of citizens of Mandan, N. Dak., opposing establishment of parcels post—to the Committee on the Post-Office and Post-Roads.

By Mr. MAGUIRE of Nebraska: Petition of Commercial Club of Omaha, Nebr., for large appropriations for rivers and harbors—to the Committee on Rivers and Harbors.

By Mr. MOORE of Pennsylvania: Petition of various users of aniline colors and coal-tar products, approving of duties imposed on the manufactured colors and products and the free admission of raw materials, as set forth in the Payne tariff bill—to the Committee on Ways and Means.

Also, petitions of United Italy Humbert Legion Association; the Society Consodella M. S. S. di Monte Carmello; the Society of San Giuseppe di M. S. Cattolica; the Society Italiana di M. S. dello Santissimo Sacramento; the Society of Italian Shoemakers; the Society Italiana di M. S. Stacia E. Maria S. S. della Neve; the Society Venafra di M. S. San Nicandro; the Society di M. S. della Immacolata Concezione; the Society S. Francisco di Paola e Maria S. S. di Constantinople; the Society Maria S. S. del Carmine Italiana di M. S.; United Garment Workers of America, Local Union No. 66, Italian tailors; Society Maria S. S. di Avigliano; Italian Hatmakers' Beneficial Association; Giuseppe Verdi Building and Loan Association; Society Gian Vincenzo Gravina, etc.; Society Maria S. S. del Succorso; Society San Gennaro P. di M. N.; First Reggimento Genio ad Artiglieria; Society Agata di Gota pro Benevento; Society Chietina Italia di M. S.; Holy Mary Mercy Italia Mutual Benefit Association; First Italiana-America Building Association; Society Italia di M. S. Campagnesi; Society La Crinacria I. di M. S.; Unione e Fratellanza Italiana; Society

Italia di M. S. S. Filomena di Casalgun P. Benevente; Society Italia di M. S. Basilicata; Society S. Blagia; Society Maria S. S. Assunta del Pileto; Italian Federation; Court Dante, No. 280, Foresters of America; Society Stella di Italia; Society First Reggimento Artiglieria di Campagna Italiana di M. S.; Court Glosul Carducci, No. 332, Foresters of America; Society Italiana di M. S. Michele Arcangelo; Court Americus Vespucci, No. 234, Foresters of America; Society Italiana di M. S. Castle Nubulano; Society S. Rinaldo; Italiana di M. S. S. Antonio di Padova; Society M. S. Maria S. S. della Libera; Society M. S. Italiana San Nicola; Dante Circle, No. 774, Foresters of America; Society Consodella Regina; and Society Giuseppe Corbi, all of Philadelphia, Pa., each and all favoring adoption of October 12 as a legal holiday to be called "Columbus Day"—to the Committee on the Judiciary.

By Mr. NORRIS: Petition of citizens of Grand Island, Nebr., opposing parcels post—to the Committee on the Post-Office and Post-Roads.

By Mr. PATTERSON: Paper to accompany bill for relief of R. A. Sisson—to the Committee on Invalid Pensions.

By Mr. SHEFFIELD: Petition of Newport (R. I.) Medical Society, in favor of national department of public health—to the Committee on Interstate and Foreign Commerce.

By Mr. SULZER: Petition of National Child Labor Commission, for a national children's bureau—to the Committee on Expenditures in the Interior Department.

Also, petition of Jewelers' Board of Trade, for creation of a permanent nonpartisan tariff commission—to the Committee on Ways and Means.

Also, petition of New York Produce Exchange, favoring reduction of duty on agricultural products—to the Committee on Ways and Means.

Also, petition of Farm Life, New York City, for repeal of duty on lumber—to the Committee on Ways and Means.

Also, petition of National Association of Employing Lithographers, for increase of duty on lithographic products—to the Committee on Ways and Means.

Also, petition of Keasbey & Mattison Company, relative to duty on carbonate of magnesia—to the Committee on Ways and Means.

Also, petition of J. Schmidt & Son and others, of New York City, favoring moderate duty on precious stones—to the Committee on Ways and Means.

Also, petition of John E. Brodsky, against increase of duty on beer—to the Committee on Ways and Means.

Also, petition of Eugene F. Clemens, of Palmer, N. Y., favoring H. R. 16880 (60th Cong., 1st sess.)—to the Committee on the District of Columbia.

Also, petition of George Staber, of New York City, against increase of duty on print paper—to the Committee on Ways and Means.

Also, petition of Myer S. Franklin, for abrogation of present extradition treaty with Russia—to the Committee on Foreign Affairs.

Also, petition of William English Walling, favoring termination of the convention for the extradition of criminals—to the Committee on Foreign Affairs.

By Mr. TAYLOR of Ohio: Petition of Terry Engraving Company, J. C. Spangler, and other citizens of Columbus, Ohio, asking increase of duty on post cards—to the Committee on Ways and Means.

Also, petition of W. A. Marzle and other citizens of Columbus, Ohio, opposing duty on tea or coffee—to the Committee on Ways and Means.

## SENATE.

FRIDAY, May 7, 1909.

The Senate met at 11 o'clock a. m.

Prayer by Rev. Ulysses G. B. Pierce, of the city of Washington.

The VICE-PRESIDENT resumed the chair.

The Journal of yesterday's proceedings was read and approved.

### PETITIONS AND MEMORIALS.

Mr. FRYE presented a memorial of sundry citizens of Maine, remonstrating against an increase of the duty on imported gloves, which was ordered to lie on the table.

Mr. BRISTOW presented petitions of sundry citizens of Osawatimie, Gridley, Lawrence, Le Roy, Westphalia, and Garnett, all in the State of Kansas, praying for the repeal of the duty on hides, which were ordered to lie on the table.

Mr. BRIGGS presented a petition of Local Union No. 3, National Print Cutters' Association, of New Brunswick, N. J., praying for an increase of the duty on wall paper, which was ordered to lie on the table.

He also presented a petition of the Board of Trade of Newark, N. J., praying for the erection of a walled island about the

wreck of the U. S. battle ship *Maine* in Habana Harbor, which was referred to the Committee on Naval Affairs.

He also presented a petition of sundry shoe manufacturers of Newark, N. J., praying for the retention of hides on the free list, which was ordered to lie on the table.

He also presented a petition of Pride of Amboy Lodge, No. 755, Brotherhood of Locomotive Firemen, of Perth Amboy, N. J., praying for the enactment of legislation providing for the inspection of boilers on railroad trains, which was referred to the Committee on Interstate Commerce.

He also presented a memorial of the New Jersey State Federation of Labor, remonstrating against any reduction of the duty on iron and steel, which was ordered to lie on the table.

He also presented a petition of Local Lodge No. 742, Benevolent and Protective Order of Elks, of Long Branch, N. J., praying for the enactment of legislation to create a reserve in the State of Wyoming for the care and maintenance of the American elk, which was referred to the Committee on Forest Reservations and the Protection of Game.

Mr. SCOTT presented a petition of the Board of Trade of Martinsburg, W. Va., which was ordered to lie on the table and be printed in the RECORD, as follows:

OFFICE OF THE BOARD OF TRADE OF MARTINSBURG,  
Martinsburg, W. Va.

Whereas the Kilbourn Knitting Machine Company have located and are operating in this city two large hosiery mills, which employ 700 hands, who are residents living in this city; and

Whereas 95 per cent of the product of both of these mills consists of men's half hose, retailing at 25 cents per pair, and come into direct competition with foreign-made goods; and

Whereas we are satisfied, from the details of said business known to us, that said mills can not run to their full capacity, paying the present scale of wages and market their product in competition with the price at which foreign-made hosiery is being sold in the United States; and

Whereas we believe that the hosiery schedule, as provided in the Payne tariff bill, will enable the Kilbourn Knitting Machine Company to operate both of their mills at the present rate of wages at their full capacity, and without adding one cent to the cost of its product to the consumer: Now, therefore, be it

*Resolved*, That the executive officers of this board of trade be, and they are hereby, authorized by this committee to respectfully request Hon. NELSON W. ALDRICH, chairman of the Finance Committee of the United States Senate, and the Finance Committee of the United States Senate, to put into the Senate tariff bill the hosiery schedule as contained in the Payne tariff bill as passed by the House of Representatives; and be it further

*Resolved*, That the executive officers of this board of trade do present with their request a certified copy of these resolutions, and that a copy of these resolutions be sent to each of the Senators from this State.

Mr. LA FOLLETTE presented a memorial of sundry brewers and maltsters of Wisconsin, which was ordered to lie on the table and be printed in the RECORD, as follows:

PROTEST AGAINST THE REDUCTION OF DUTY ON BARLEY.

MILWAUKEE, WIS., March 30, 1909.

HON. ROBERT M. LA FOLLETTE,  
United States Senate, Washington, D. C.:

We, the undersigned brewers and maltsters of Wisconsin, respectfully protest against the reduction of the import duty on barley from 30 cents to 15 cents, such as is proposed in the new tariff bill.

Looking at the proposed reduction in a broad way, it must be apparent that the same is likely not made for revenue purposes, but is seemingly a compromise with certain eastern maltsters, who have been advocating putting barley on the free list in order to secure advantages over their western competitors. Their plants being located adjacent to good Canadian barley fields—which are known to produce a superior quality of barley—a low rate of duty, combined with a low rate of freight, will make possible for them to secure at a low price this barley which by nature of conditions could not be obtained by their western competitors; hence it would result in their practically monopolizing same.

That the northwestern farmer has been greatly benefited by the protective duty of 30 cents, effective since the Dingley bill became a law in 1897, is amply proven by the increase in the barley production in the United States, i. e., from 50,000,000 to 70,000,000 at that time to an average of 150,000,000 to 170,000,000 in the last five years. Under the Dingley tariff the Detroit, Buffalo, and other eastern maltsters have been on the same basis with the western manufacturers, and it is therefore apparent that the appeal of the eastern maltsters is not to put themselves on an equality with the western maltsters, but they are trying to secure an unfair advantage. That the western maltster is at present on an equal basis with his western competitor is proven conclusively by the numerous malting plants, including one of the largest in the country, that have been erected in recent years at Buffalo. This clearly proves that the eastern maltster is not in need of the Canadian barley.

The large percentage of malt consumers are not asking for any reduction. Their interests generally are with the farmer. In every convention of these interests resolutions have been passed urging the United States farmers to improve the quality of the barley, for which they are willing to pay an advanced price. Furthermore, brewers and distillers do not advocate free barley, for in the prohibition fight the brewers' and farmers' interests are mutual. The brewer needs the farmer's barley and the farmer's vote. The farmer needs the brewers to consume his barley and other farm products. The eastern maltster asks Congress to destroy the production of a farm product that brought the farmers of the United States in the last ten years \$800,000,000 and the railroads upward of \$80,000,000 freight, hauling the barley to market.

A feature not generally known is that land in western Canada can be procured for practically nothing. Comparing this with the average farm value in Wisconsin and Minnesota, namely, \$75 to \$100 per acre,

it is apparent that the northwestern farmer would be at a disadvantage to the extent of the interest on his investment, amounting to \$4 to \$5 per acre per annum, and is at a further disadvantage on account of the lower freight rates to eastern points, due to the Canadian railroads being subsidized.

Will this Government enact a measure which will destroy a farm revenue of over \$100,000,000 per annum? The framers of the McKinley, Wilson, and Dingley tariffs saw the necessity of placing a prohibitive tariff on both barley and malt. They saw that barley growing added wealth, both to the United States and to the American farmer; hence they put up a wall over which no barley came.

Immediately prior to the time the 30-cent duty went into effect the importations from Canada under a 10-cent protective duty amounted to over 11,000,000 bushels. Considering that at that time the brewing industry amounted to approximately only 50 per cent of its present capacity, the immense loss through a reduction of the tariff to the northwestern barley-growing farmer must be apparent.

That the northwestern farmer should be protected is proven by government statistics showing the barley production in the various States during 1908, which was as follows:

	Bushels.	Acres.
Wisconsin.....	24,750,000	825,000
Minnesota.....	32,500,000	1,300,000
Iowa.....	18,500,000	500,000
North Dakota.....	18,330,000	940,000
South Dakota.....	24,592,000	928,000
Kansas.....	4,400,000	275,000
Nebraska.....	2,778,000	118,000
Michigan.....	1,785,000	70,000
Other Middle-Western States.....	8,632,000	292,000
California.....	25,427,000	1,022,000
Washington.....	5,185,000	170,000
Oregon.....	1,798,000	62,000
New York and all other Eastern States.....	5,084,000	114,000
Total.....	166,756,000	6,646,000

That the eastern maltster represents only a small percentage of the entire malt industry is shown by the following:

MALT PRODUCTION.

	Bushels.
West of Buffalo.....	56,000,000
Buffalo and east thereof.....	14,000,000
Total.....	70,000,000

From the foregoing it is apparent that the northwestern farmer under a 15-cent tariff could not possibly compete with his barley in the eastern market where a large portion of the malt is used. A lower and insufficient duty can do no possible general good to the American farmer, manufacturer, or consumer, and can only redound to the benefit of the Canadian barley grower and a few eastern maltsters.

For aforementioned reasons the undersigned most earnestly protest against any reduction of the present tariff on barley, and urge you to do all within your power and use your influence to defeat the proposed reduction.

Milwaukee-Western Malt Company, Milwaukee, per Albert Zinn, president; The Maur Tonic Malting Company, Manitowoc, by William Rahr, president; Milwaukee Malting Company, Milwaukee, by Runo E. Lyons, secretary; West Bend Brewing Company, West Bend, Wis., Andrew Peck, secretary; Pabst Brewing Company, Milwaukee, by Gustave Pabst, president; Cream City Brewing Company, Milwaukee, Gavolf Meyer, vice-president; Val Blatz Brewing Company, Albert C. Blatz, president; Jung Brewing Company, Gustaff Jung, president; Milwaukee Brewery Company, G. Beshner, president and treasurer; The Wm. Raler Sons Company, maltsters, Manitowoc, Wis.; The Chilton Malting Company, Chilton, Wis., per F. J. Egun; L. Rosenheim Manufacturing Company, Kewaskum, Wis., per L. P. Rosenheim; The Lytle-Hoppenbach Company, Jefferson, Wis., H. H. Gadish, secretary and treasurer; A. G. Laubenstein, Hartford, Wis., per A. G. Laubenstein; Rubicon Malting and Grain Company, Rubicon, Wis., per B. A. Hauser; Froedtt Brothers, grain and malting, Milwaukee; Portz Brothers, Hartford, Wis.; Wisconsin Malt and Grain Company, Appleton, Wis.; The Badger State Malt Company, Waterloo, Wis.; and The Konrad-Schreier Company, Sheboygan, Wis.

Mr. DEPEW presented a petition of sundry manufacturers of cutlery in the State of New York, praying for the retention of the proposed duty on imported knives or erasers, which was ordered to lie on the table.

Mr. LODGE presented a memorial of sundry citizens of Northboro and Berlin, Mass., remonstrating against an increase of the duty on the necessities of life, which was ordered to lie on the table.

Mr. ROOT presented a memorial of sundry retail jewelers of New York City, N. Y., remonstrating against the repeal of the duty on imported watches, which was ordered to lie on the table.

He also presented a petition of the board of managers of the Produce Exchange of New York, praying for a reduction of the duty on wheat, corn, and oats, which was ordered to lie on the table.

He also presented a memorial of sundry citizens of New York, remonstrating against a reduction of the duty on wood pulp and print paper, which was ordered to lie on the table.



He also presented petitions of sundry employees of lumber manufacturers of North Tonawanda, N. Y., praying for the retention of the present duty on dressed lumber, which were ordered to lie on the table.

He also presented memorials of sundry owners and operatives of planing mills and lumber handlers of North Tonawanda, N. Y., remonstrating against the removal of the duty on dressed lumber imported from foreign markets and praying that the present duty be maintained, which were ordered to lie on the table.

Mr. PAGE presented petitions of sundry citizens of St. Johnsbury, Vt., praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

Mr. BRANDEGEE presented a petition of sundry manufacturers of Meriden, Hotchkissville, Winsted, Lakeville, New Britain, Thomaston, Waterville, and Northfield, all in the State of Connecticut, praying for the retention of the proposed duty on imported knives and erasers, which was ordered to lie on the table.

He also presented a memorial of Local Grange No. 72, Patrons of Husbandry, of Plymouth, Conn., remonstrating against an increase of the duty on imported gloves, which was ordered to lie on the table.

He also presented a memorial of sundry citizens of Middletown, Conn., remonstrating against the repeal of the duty on tobacco imported from the Philippine Islands, which was ordered to lie on the table.

Mr. SIMMONS presented petitions of F. A. Harrington and sundry other citizens of Clarkton, N. C., praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

Mr. CRANE presented the petition of A. Hidalgo Rizal and sundry other natives of the Philippine Islands, temporarily residing in Massachusetts, praying that all reference to the duty on products imported from or exported to those islands be omitted from the proposed tariff bill, which was ordered to lie on the table.

#### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RICHARDSON:

A bill (S. 2280) for the relief of Charles W. Johnston, and of Harry C. Maull and Charles S. Morris, administrators of Elihu J. Morris, his sureties; to the Committee on Claims.

By Mr. CLARK of Wyoming:

A bill (S. 2281) granting an increase of pension to Lucius A. Hancock; to the Committee on Pensions.

By Mr. BRIGGS:

A bill (S. 2282) for the relief of Allan L. Briggs; to the Committee on Claims.

A bill (S. 2283) granting a pension to Sarah Frances Barriger;

A bill (S. 2284) granting an increase of pension to S. Louise Perry; and

A bill (S. 2285) granting an increase of pension to George S. Connor; to the Committee on Pensions.

#### OCCUPATIONS AND THEIR RELATION TO THE TARIFF.

The VICE-PRESIDENT. The morning business is closed. The Chair lays before the Senate a resolution coming over from yesterday, which will be read.

The Secretary read resolution No. 43, submitted yesterday by Mr. CULBERSON, as follows:

Senate resolution 43.

Resolved, That there be printed as a document an article by the late Edward Atkinson, contained in the Quarterly Journal of Economics for the month of February, 1903, pages 280 to 292.

Mr. ALDRICH. The Senator from Texas [Mr. CULBERSON] does not seem to be in his seat. I have not had an opportunity yet to examine the publication.

The VICE-PRESIDENT. Without objection, the resolution will go over until to-morrow. It goes over.

#### AMENDMENT TO THE TARIFF BILL.

Mr. JONES submitted an amendment intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which was ordered to lie on the table and be printed.

#### THE TARIFF.

The VICE-PRESIDENT. The calendar is in order. The Secretary will announce the bill on the calendar.

The SECRETARY. A bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. HALE. Mr. President, I think probably there is not a quorum present, as there ought to be.

The VICE-PRESIDENT. The Senator from Maine suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Clark, Wyo.	Hale	Rayner
Bacon	Clarke, Ark.	Hayburn	Richardson
Bankhead	Clay	Hughes	Root
Borah	Crawford	Johnson, N. Dak.	Scott
Bradley	Cullom	Johnston, Ala.	Shively
Brandegee	Cummins	Jones	Smith, Md.
Briggs	Curtis	Kean	Smith, Mich.
Bristow	Dick	La Follette	Smith, S. C.
Brown	Dillingham	Lodge	Stone
Bulkeley	Dolliver	McCumber	Sutherland
Burkett	Fletcher	McLaurin	Taliaferro
Burnham	Flint	Nelson	Tillman
Burrows	Frazier	Newlands	Warner
Burton	Frye	Oliver	Warren
Carter	Gamble	Overman	Wetmore
Chamberlain	Gore	Page	
Clapp	Guggenheim	Perkins	

Mr. McLAURIN. My colleague [Mr. MONEY] is in the State of Florida, in response to an invitation to address the legislature of that State.

The VICE-PRESIDENT. Sixty-six Senators have answered the roll call. A quorum of the Senate is present.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. CLAPP. Mr. President, a few mornings since, the senior Senator from Maryland [Mr. RAYNER], speaking of himself in reference to the pending bill, asked the question, Where am I? It has occurred to me that related to this matter in the concrete we might well inquire where are we, for during the last few days I have heard some propositions announced in the Senate very much at variance with the traditions that so long have prevailed in this country with reference to the tariff. I shall not devote any time to advocating the advantage of a protective tariff. What might have been the result if years ago at the dawn of our growth we had adopted the policy of depending only upon that development which would come to us by reason of geographical and natural conditions, it is useless to say. While we might under that condition have been to-day, but a small people numerically, it may be that in the average of American life we would have been as well off as we are under the highly stimulated condition which pertains to the industrial life of this country. But it is too late to go back and retrace our steps. To-day, commercially and industrially, we are engaged in a struggle that is world-wide.

The Senator from Texas [Mr. BAILEY] stated the other morning that, in his judgment, a bounty upon exports rested upon the same principle as a protective tariff. I not only agree to that, but, Mr. President, I go one step further. Startling as it may seem to some, I undertake to say that the employment of legislation and governmental policy along any line designed to stimulate industrial activity rests upon the same principle as a protective tariff. When a government will sacrifice one interest to the building up of another, when a government through legislative policy will cheapen the food of its people to enable the manufacturer to get cheaper labor, to the end that the manufacturer may prosper, it is as absolutely the employment and invoking of a governmental adjunct to industrial life, inequitable as it may be, as the establishment of a protective tariff. Measured by that test, every great nation to-day upon this earth invokes this principle in one or more of these systems. That being true, it would be idle to talk of this great Nation reversing its policy.

Before I go any further, I want to point out what, to my mind, has been lost sight of in this debate, and that is the distinction between a tariff for revenue and a protective policy. By common acceptance to-day a tariff for revenue upon non-competitive articles is called a "free-trade policy." England gathers through her custom-houses a small percentage more, I believe, per capita than we do; yet no one would object to the phrase, "Free-trade England." So, in dealing with that phase of the tariff which relates solely to revenue, I shall refer to it as a free-trade revenue tariff.

Now, there are two certain peculiarities that attach to that kind of a tariff, it is perhaps true that in rare instances a tariff levied upon a noncompetitive article may be absorbed in the manufacture of another article and sold in competition with an article that does not contain that particular element, and thus not to be added to the cost, and again, a tariff for revenue may be so slight upon a specific object that it is lost in the transmission. But, as a rule, I undertake to say

that a purely revenue tariff upon noncompetitive articles in the end rests upon the consumption, and is properly called a "tax."

Another peculiarity of a distinctive revenue tariff is that unless you raise it high enough to deter consumption by the increased cost, the higher you raise that tariff the more revenue you obtain from it. So the man who stands solely and squarely for a revenue tariff must recognize that he stands for a tax, in the last analysis falling upon the consumer, and stands for a system that the higher the tax the more revenue.

Turning for a moment, now, to a distinctive protective tariff, a tariff upon imported articles in competition with our own production, the differences are exactly reversed. It is true that in some instances a protective tariff finally rests and finds its last analysis in an added cost to the consumer, but that is not the rule. There are Senators in this Chamber, perhaps, who have been engaged in the hardware business. If there are, they can recall the day when steel wire nails were selling so close to the figure of the tariff itself as to render it absolutely impossible that that tariff could be added to the productive cost of the home product in making the price of those nails. The Senators from Massachusetts will recall the time when cotton cloth at the factory sold so close to the tariff itself as to absolutely preclude the idea that that tariff was added to the home manufacturer's cost in the price. The Senators from Michigan will recall the time when a barrel of salt, barrel and all, sold so close to the tariff itself as to preclude the tariff being added to the cost of the home salt in the final price.

It is difficult to analyze this phase of the question, because it is difficult to find conditions alike at different periods. But in 1890, after the passage of the McKinley bill, the Finance Committee of the Senate investigated that subject from a non-partisan standpoint. If there was ever a normal period in the life of this Nation, it was the year following the passage of that bill. During that year examination showed that instead of the tariff having been added to the price, in fact, under the stimulus of competition and production, the price had fallen upon some 215 articles something like four and a fraction per cent. Clearly that was not due to any depression, because during that same period the wage scale had increased slightly, and the wage scale never increases in a period of depression.

Even the Senator from Georgia [Mr. BACON] admitted the other day that a distinctive protective duty is not always added to the cost, and the Senator from North Carolina [Mr. SIMMONS], with his usual frankness, admitted in relation to the tariff that he was discussing that that tariff did not go to the price, but it went to the master of the market.

Now, another peculiarity of the protective tariff is that unless that tariff is at a prohibitive point, to reduce the tariff increases imports, and if that reduction is not too marked in the relation of increased imports to the reduction of rates, you get an increased production of revenue. So plain is this proposition that the Democratic platform in 1868, I think it was, challenged the protective policy of the Republican party on the ground that the high protective duties lessened the revenues of the country.

Yesterday the Senator from Nevada [Mr. NEWLANDS] suggested that the friends of revision on this side and the friends of revision on the other side, along the line of the reduction of the rates, might well unite upon some plan. While there may be here and there a point where one on the one side and another upon the other wishing a given tariff could vote together, the difficulty is that you can not reconcile these conflicting principles. The man who plants himself squarely upon a tariff for revenue recognizes the fact, and he must recognize the fact, that the higher that tariff the more revenue, unless it gets so high as to bar the importations. On the other hand, he must recognize, with reference to protection, that the reduction of the duty within any reasonable limit increases importations, and within proper limits will actually increase the revenue itself.

Now, the difficulty with the man who attempts that is that, in the forum of his own conscience, when he meets a commodity from his own State that requires protection he has got to balance between two opposite principles, and he is obliged to sacrifice one of those principles to the other, while the man who stands squarely upon the proposition of a protective tariff, but to reduce that tariff to a reasonable limit, measuring the difference of cost in production, is confronted by no such embarrassment at any point along the line.

A great deal has been said during this debate about labor and about the labor unions being more responsible for the scale of wages in this country than any tariff provision or tariff policy. While organization has affected wages, organization is powerless to supply labor, as has been seen in every great de-

pression. In relation to labor, it has been suggested that only a small percentage of the labor of America is under protected industries. Mr. President, that to me is a very narrow and superficial view of the benefits of protection. Some years ago General Hancock declared that the tariff was a local issue. If we measure the tariff question by the greed and fear which prompt a man with one industry in his locality to demand tariff with reference alone to that production, then it is a local issue; but if we recognize it with reference to the entire people, it rises above a local issue. Take a great factory in Ohio, where there are a thousand men employed, and we will assume that that factory requires a certain degree of protection. I want to ask the tariff-for-revenue advocate if he believes the only people in this country interested in that factory are the thousand men thus employed? If that is the limit, then there is doubtful warrant for that tariff. But I ask, Is not the shoemaker who makes shoes for that thousand men, is not the farmer who feeds that thousand men, interested in the question whether they shall be idle or whether they shall receive remunerative wages? Multiply that industry by the multiplied activities of this Nation, and you have a policy that reaches from one ocean to the other, with the welfare of a people interwoven at every point.

But it is said that while we protect the article we do not protect the laborer, and that the laborer comes here and comes in competition with the laborer who originally was here. Mr. President, this, too, is narrow and superficial. To illustrate: Here is a man in Geneva engaged in making watches. Here is another man in Elgin engaged in making watches. I know no way save one, too brutal to suggest, by which the Elgin watchmaker can get rid of the personal competition somewhere of the Geneva watchmaker. In the world's wide equation of prices and production, he has got to meet that personal competition.

But we will assume that there is a difference in the wage scale between Geneva and Elgin and we put that difference in a tariff law. The Geneva watchmaker comes to Elgin. Then the tariff-for-revenue-only man exclaims, "You have done no good; you have given no protection, because the Geneva workman has come to Elgin."

Mr. President, does it make no difference to the Elgin watchmaker whether he must compete with the Geneva man in Geneva on the Geneva scale of prices or compete at Elgin on the Elgin scale of prices? Does it make no difference to the American shoemaker whether, when he furnishes the shoes for the Geneva watchmaker, he must furnish them on the Geneva scale of prices or furnish them on the Elgin scale of prices? Does it make no difference to the American farmer, if he is to feed the Geneva watchmaker, whether he shall feed that watchmaker upon the Geneva scale of prices and pay the freight, as he must upon the article which goes out of his land into world-wide competition, or whether he saves that freight and feeds the Geneva watchmaker on the Elgin scale of prices?

It seems to me that that argument is simply unanswerable, and yet in this discussion we seem to have lost sight of both these points.

By this time, if anyone, in looking through the RECORD to find something that he really wants, should happen to stumble upon these remarks, he may conclude that I am in favor of protection; before he finishes reading he will conclude that I am in favor of a fair protection in the spirit of our promise. We stand now at the threshold of revision; and, Mr. President, I can discuss this question of revision with a good deal of freedom. Unlike the junior Senator from Iowa [Mr. CUMMINS], I am not responsible for this condition. I have believed for years that the wise policy for Congress to pursue, instead of plunging this country into the hysteria of a general revision, was from time to time to take this article or that, which was no longer necessary, and deal with this question from that standpoint.

But it was said we could not do that. Two years ago I proposed to men who have a large share in molding the policy of the Senate that we proceed to take the duty off of lumber. I had known for years that the lumbermen, if the lumber duty could be removed, outside of the wild, exaggerated fear born of this hysterical condition would not lift a hand to oppose it. I had known for years that the duty on lumber bore no earthly relation to the price, production, or market protection. But, no; it was said we could not do that. I want to submit to the Senate that if we could not remove the duty or lower the duty upon one article, how could we expect to succeed when we had all the combined industries united in an opposition born of a common fear?

It is every day's experience that if we have opposition to deal with, we ought to reach that opposition before the opposition is solidified. So long as Napoleon could meet the armies of Europe one by one, he could baffle all the armies of Europe. It was only when the armies were combined and he could no longer spring



upon a detachment here and a detachment there that he fell a prey to that condition.

I repeat that it is in the power of Congress to do these things, if Congress would only recognize the importance of the initiative. But when these things are suggested it is said, "There is no demand for this." Mr. President, I believe that when it comes to legislation bearing upon the morals of a people, legislation should not be pioneer work, but it should be rather crystallizing into concrete form of a widespread and deep-seated purpose. When it comes to shaping the policy of a great and growing nation, growing and expanding materially and growing and expanding as free government ever must grow and expand under a process of governmental development, it is the province of Congress to initiate movements and not wait until it seems to be forced to do it by executive demand accentuated by popular demand.

No wonder Congress has fallen somewhat under a distrust. There is not a Member of Congress but who in his own district or State has very generally the confidence and esteem of his people, and yet as a body we have come under this cloud, not because we did not do things, but because we waited until it seems as though we do it at the dictation of one man who stands as the centralization of a widespread and universal demand. Not only do we lose in public confidence by this, but we make it that much more difficult to exercise a wise and calm judgment.

I am going to illustrate this by an incident that occurred within the memory and experience of most of us. In 1903 the Interstate Commerce Committee of its own motion, not waiting for somebody to dictate to it, proceeded to formulate the most drastic legislation that ever passed this Congress. It was a law designed not only to prohibit, but calculated to prevent discrimination in rates and rebates. We evolved that law in calm deliberation, a law that has withstood every assault. It was my province one morning to pass that bill through the Senate, while the late Senator from Pennsylvania was speaking upon the territory question. There was no clamor; there were no crowded galleries; there was no trumpet blare, but we calmly passed a law, the most drastic in the history of this Congress. The railroad companies were not alarmed, because they were not suffering from that exaggerated fright which always comes in the face of a widespread and popular demand for legislation against them.

About two years later we reached the rate law. I implored when we passed the Elkins law that we take up the rate law in the same calm, quiet way. But no, we must wait; and we waited until when it was passed these galleries were packed and the country pro and con wrought into a state of undue excitement.

That law simply provided this simple matter: Under the law, as interpreted by the court, the Interstate Commerce Commission, while it could order a rate lowered, yet it had not authority to name the new rate. Having the power to condemn the new rate if it did not meet their approval within the limit of what a court would call a reasonable rate, the Commission could attack the new rate and so practically make the rate. I showed on the hearing that in all but two cases where they had successfully attacked the rate the railroads had adopted the new rate. It was now proposed to simply give the legal authority to do what they were doing by force; and the representatives of the railroads gathered here, men whose genius had achieved wonderful triumphs, whose judgment, it would seem, as though it was ridiculous and egotistical for us to challenge, declared that if that bill passed it meant their ruin. On the other hand, if you had heard the other side you would have thought that the passage of that law would have cured every evil in our Republic.

We passed the law. It was a good law. It was doubtless not as perfect as it might have been, if we had taken it up on our own initiative as we did the Elkins law, but I refer to it to show how the judgment of even great men, men whose transcendent genius seems to make it a mockery for a poor man like me to challenge, were mistaken. It neither cured all the evils, nor did it stop the railroad wheels. It did reduce rates from 1907 to 1908 from 2.04 to 1.91, a small reduction, to be sure, but vast in its aggregate.

I emphasize this to show that it is even possible to-day that the judgment of the men, whose judgment is warped, in my opinion, in the hysteria and excitement of this hour, is not to be a safe guide for us to proceed upon in analyzing these schedules and in dealing with this revision.

As I said, I am not responsible for this general revision. I am going to take issue with some of my associates as to what this promise for a revision meant. If it means that we shall stand by the Dingley rates, then we are confronted with

the ridiculous farce of the Chief Executive of this Government calling this Congress in extraordinary session to reform something that would stand to the end of time unless attacked and modified. The Dingley rates required no reaffirmation and no reenactment. Then, what was this demand? When the tariff was revised in 1897, it meant a revision upward, because then the industries of this country were prostrate and revision was appealed to to revive those industries. But last year the industries of this country were not prostrate. There was no suggestion abroad that they needed higher rates of protection than that which they had, and the demand upon this issue ranged itself under two standards—one, "Let well enough alone," and the other, "Revise the tariff." Will any man tell me, with that issue so clearly defined, "Let well enough alone," on the part of protective industries, a revision of tariff, on the part of those who were outside the pale did not mean a revision downward?

There can be no other answer to that question. If it did not mean that, it was mere boy's play and we are indulging in a farce now.

If I believed that this revision simply meant the reaffirmation of the Dingley law, I would pack my grip and go home; for, under my oath as a Senator, I am not required to sit here in the participation in such an affair as that. We are called here for a purpose, and that purpose is to revise this tariff, and, in the main, in the spirit, at least, of revision downward. The people understood that; we all understood it; the men who wrote it in the platform understood it. It was the plain inference from every speech made upon the rostrum. I think our presidential candidate often spoke upon the subject, and there was not a suggestion that the spirit of the revision should be upward; but, ever pointing to the burdens that the people bore, the suggestion was of a downward revision. No amount of sophistry can argue away the plain, practical truth that one side demanded to let good enough alone, the other demanded a change from existing conditions, and that demand not being made by those who were under this system and its more direct benefaction, was a demand for a revision downward.

Now, Mr. President, I have spoken of the hysteria that prevailed in the railroad-rate legislation as illustrating the condition we are confronted with to-day. The very men who, two years ago, would not have raised a finger against the modification of their particular schedule, to-day throw their hands up in fright at the mere suggestion of interfering with that schedule. That schedule, in the prosperity of the last ten years, notwithstanding the slight depression that commenced in the fall of 1907, has demonstrated that, in the main, it needs no addition of rates to maintain the marvelous growth of these industries. The startling invasions by those industries of the foreign market proves that we do not need as much as we already have in the Dingley law.

Now, you ask how we can determine this question. I can only answer for myself. Neither the exaggerated idea of a benefit to the man who believes he is going to get an advantage by striking down some article that goes into his own manufactured article nor the exaggerated fear of the man who feels that he will suffer by the revision of this tariff can avail, at least with me. We have great, broad principles upon which we can base our judgment. We can measure the relative growth of our own production against importation; we can measure the growth of the great surplus that may have been piled up behind some of these industries; we can measure the advancing prices of others; we can measure the disappearing sources of others; and in that way we can arrive at the truth.

No man can know it all. The great men who framed this Government, wise in their day, did not know it all. What would the constitutional convention have said if some one had risen then, and, with prophetic vision, pointed to a time when the word "nation," which they had torn from their draft, should be reinstated to a degree where scarce the skeleton of state sovereignty remains, save as a reminiscence? What would that great body of men have thought if some one could have convinced them then that the time would ever come when that secondary function, in their minds, the judiciary, should sit in solemn judgment upon the acts of the great popular branch of the Government—the legislative?

What would Hamilton, arch-Federalist of them all, have thought if he could have foreseen the day when a federal officeholder could send to a meat packer, 2,000 miles distant, and command that meat packer to raise the temperature in his cutting room, not because the meat required a higher temperature, not because the poor workingmen required a higher temperature, but, forsooth, because the temperature was too low for the government inspector! While they did not foresee these things, yet

they held the great basic principles, and on these principles they reared an edifice that has withstood all the storms of time, and which is destined, I believe, to endure through the ages.

We can not avoid some mistakes; with all the ingenuity employed, some errors will be made; but if we approach this question upon the broad principle that the spirit of this promise is a revision downward, we shall make but few mistakes. In the light of the marvelous strength that has come to these industries in the last ten years, if there is danger of making a mistake, I believe with the Senator who spoke the other day, that in the light of this demand coming in a time of industrial prosperity, in a time when these industries have grown as they have, the burden now is upon them to make good their claim that they need these present duties retained or, if they ask for them, that they need increased tariff schedules for their protection. The burden of proof is upon them to show the necessity.

Mr. President, one word more, and I am through, because I realize that we are anxious to proceed with this bill. It is being whispered around that the men who believe in this approximately uniform reduction, this revision in the spirit of the promises made last fall, will not be able to carry out their promises; that the great industries of this country are combining in this fear, into which they have been thrown, perhaps largely by our own procrastination; and that, combining this industry with that industry, they will defeat this revision.

I do not believe it. I believe when this revision is done with that it will be a somewhat fair compliance with that promise. I want to say to the representatives of these great industries, if they should perchance hear these words, that the enemy of protection is not the man who advocates free trade, but the enemy of protection to-day in the spirit of the American people is the man who, having the power, abuses the policy of protection. The friend of protection is the man who stands here for the faithful carrying out of that promise. You may postpone this two years, but the American people have determined upon this kind of revision, and anything short of that will be more than disappointing. I do not want to indulge in any threat, but I am simply giving this warning note to those within and without this Chamber who believe in protection, who want a reasonable protection, that it is in your power now, uniting with us upon this policy, to give the Republic a tariff bill that will stand for years to come, strong in the hearts and sympathy of the people. On the other hand, it may be in your power to do the contrary. But just so sure as you do, two years from now this tariff will be revised, not by the friends of protection, but by the enemies of protection, sent here on account of the wrathful disappointment on the part of the people.

I do not care to state it stronger than that. We all know what that promise meant. We all know what our duty is. The blow will not fall upon those of us who plead for a fair revision; but it will fall elsewhere. It will fall in an industrial sense with the force of the chaos that came from revision when once before the tariff was revised by the enemies of protection. Our people said to us last fall: "We want the tariff revised; we want it revised by its friends; we want it revised within the limit of a fair protection, measuring the difference of cost between this country and other countries," and they are waiting for such revision to-day. No representatives of theirs through the corridors and the hotels of this city, but silently, quietly, they are waiting and trusting that we will redeem that promise. If Congress shall fail to do so, the people, in their wrathful disappointment, will for a time strike down, regardless of consequences, the very principle of protection itself.

The VICE-PRESIDENT. The Secretary will state the pending amendment.

The SECRETARY. On page 59, paragraph 179, the Committee on Finance propose to strike out all after the numerals down to and including the word "pound," in line 19, and insert "Lead-bearing ore of all kinds, 1½ cents per pound on the lead contained therein."

Mr. ALDRICH. Mr. President, I ask that the vote be taken upon this amendment by yeas and nays.

The VICE-PRESIDENT. Is the request that the vote be taken by the yeas and nays seconded?

Mr. BACON. Before the vote is taken, I wish to state that the Senator from Missouri [Mr. STONE] intended to be heard upon this schedule. It went over last night at his request. I myself have a few words to say on the schedule; but I do not desire to take the place which the Senator from Missouri expected to occupy this morning.

Mr. ALDRICH. My own understanding was that the Senator from Missouri was uncertain whether he cared to speak upon this particular amendment or not.

Mr. BACON. I saw the Senator only last night.

Mr. ALDRICH. Very well. The Senator has been here this morning, however, I think.

Mr. TILLMAN. The Senator from Missouri told me this morning that he desired to speak on the schedule. So I think there is no doubt about it.

Mr. BACON. I suppose the Senator from Missouri expected that the Senator from Minnesota [Mr. CLAPP] would occupy more time than he has done.

Mr. OVERMAN. I want to inquire what has become of paragraph 51 in relation to white lead?

Mr. BEVERIDGE. That is being considered in connection with paragraph 179.

Mr. BACON. The Senator from Missouri is now in the Chamber.

Mr. STONE. Mr. President, I do not rise at this time with any thought of afflicting the Senate with a protracted speech. My purpose is to occupy but a short time on this occasion. However, as the lead industry is an important one in Missouri, I feel that I ought to say something to make clear the reasons which will influence my vote on the various paragraphs embraced in the lead schedule; and especially so since the makers of this bill have tinkered with the rates relating to all forms of lead production, from the crude ores to the refined manufactures.

Missouri, I believe, ranks as the first State in lead production.

Mr. HEYBURN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. STONE. Certainly.

Mr. HEYBURN. Missouri was the first State in the production of lead by a small excess in 1906 and 1907, but Idaho exceeded Missouri in 1908. They run close together.

Mr. STONE. That is not important.

Mr. HEYBURN. No.

Mr. STONE. I was not seeking to disparage Idaho or to unduly extol Missouri.

Mr. HEYBURN. I did not so understand the Senator.

Mr. STONE. The fact is, however, I think, that there was a considerable falling off in the production of lead in Idaho in 1907 over that of 1906.

Mr. HEYBURN. It was regained in 1908.

Mr. STONE. At all events, Mr. President, a large investment is represented in lead mining and lead manufacture in Missouri. How many millions are invested I am not prepared at this moment to state, but the investment is large. I know also that thousands of men are employed in the various lines of this industry in Missouri. The men representing these investments and the men they employ are well entitled to every proper consideration. They are engaged in a great work, in which the State and the country are greatly interested, and they should receive every proper care and attention.

But, Mr. President, there are others equally deserving. In every city, town, and hamlet in Missouri, and on every farm, there are people who are also deeply interested in these schedules. Brick masons, stone masons, and carpenters, merchants, professional men of all kinds, and farmers, the housebuilders of the State, are all interested; and then there is an army of mechanics who paint houses, vehicles, machinery, bridges, and all manner of things—the first purchasers and users of paints—who are vitally interested in the refined manufactures of lead. I think these people are also entitled to our thoughtful consideration, the one class as much as the other, and in adjusting a tariff the interests of all should have equal attention.

Mr. President, in the southeastern part of Missouri an enormous amount of lead is mined. There are mills of different kinds located there, representing a large capital, engaged in making lead bullion and in producing other higher and more refined lead manufactures. From the point where these mines are actively operated, which is practically along the Mississippi River and on the eastern border of the State, if a line should be extended westward across the southern central part of the State to the famous Joplin district in southwest Missouri, almost every mile of that line would pass over a large lead-bearing area, although for the most part this area has not been developed. When we reach the Joplin district we find a high and extensive condition of development, but zinc is the metal of chief value produced in those mines. The ores, however, that come from what are called the zinc mines of the Joplin district are compound or mixed ores, and a large amount of lead is produced in connection with zinc mining.

Therefore, under the circumstances, no one can be more solicitous than I as to the prosperity of these great industries.



No man can be more desirous than I of having them prosper, both as respects the capital invested and the men employed; but to promote or to safeguard that prosperity I do not believe that the increased rates fixed in the Senate amendments over the rates fixed in the House bill are necessary. I have said there are others to be considered, and keeping that in mind and taking the whole field under view and being regardful of every interest involved, I think the rates fixed by the House for lead ore and its refinements in the bill passed by that body are ample even when considered from the standpoint of a protective revenue measure.

Mr. CLAPP. Mr. President, will the Senator pardon an interruption?

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Minnesota?

Mr. STONE. Certainly.

Mr. CLAPP. I should like to ask the Senator if he does not think that the labor phase of this question was properly recognized by the House in fixing the rates upon lead ore, instead of assuming or trying to argue that the labor proposition is met by putting this higher duty upon the pig lead? I would like to hear some one who is familiar with the subject discuss that.

Mr. STONE. Mr. President, of course I am not nor have I ever been in the confidence of the Republican members of the House Committee on Ways and Means, and I have no information as to what they had under consideration or what particular things influenced their judgment, but I assume that the wage question, as well as every other element that should be considered in fixing a tariff rate upon a given article, was brought under review and thought out by that committee before they reached a conclusion.

The Senator from Rhode Island [Mr. ALDRICH] stated on yesterday, as on the day before, that the House committee at the last moment, or at a very late moment, changed their views as to the rates that should be fixed in this schedule upon this basic metal, and that they changed the rate first agreed upon as to ores to a higher rate, but that in the hurry and press of reporting and considering the bill they neglected to change the rates on manufactures of lead so as to make them correspond with the change made on ores.

Mr. President, the explanation is not satisfactory to me, any more than it was to the Senator from Indiana [Mr. BEVERIDGE]. That Senator asked—and the question has not been answered—that inasmuch as it was the duty of the Ways and Means Committee to make this bill, and as that was a grave and important duty, why they did not take the time to revamp the whole schedule, if they deemed it necessary, since they did take time to amend it in part. Was it so important that the bill should be presented on a given day? Would the delay of a few hours have imperiled the measure? Why was it so important that they should press along with the consideration of the bill, and to proceed with such speed and rapidity that they could not pause for a moment to consider the whole subject? The members of the Ways and Means Committee are experienced in legislation; they were as well informed as the Senator from Rhode Island as to everything connected with this schedule; and they knew as well as he knows what effect a given rate upon the basic metal might have upon the refined products of that metal.

Mr. ALDRICH. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Rhode Island?

Mr. STONE. Certainly.

Mr. ALDRICH. Do I understand it to be the contention of the Senator from Missouri that we are bound by the action of the House to follow whatever rates they may see fit to adopt?

Mr. STONE. The Senator from Rhode Island does not seem to be bound by it, and I know of no reason why he should be.

Mr. ALDRICH. I know of no reason; I do not know whether the Senator from Missouri knows of any or not.

Mr. STONE. No; I do not. I do not feel bound by the action of the House. I do not feel obliged to follow what the Ways and Means Committee of the House or the House of Representatives itself may have done.

Mr. HEYBURN and Mr. DU PONT addressed the Chair.

The VICE-PRESIDENT. Does the Senator from Missouri yield, and to whom?

Mr. STONE. But I do say that the explanation given by the Senator from Rhode Island for the action of the House does not explain.

Mr. ALDRICH. I am willing to withdraw it, if that will accommodate the Senator.

Mr. HEYBURN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. STONE. With pleasure. I yield to any Senator.

Mr. HEYBURN. I should like to inquire of the Senator whether, in his judgment, any more sanctity is to be attributed to the House bill than to the existing law? As between the two, where is the presumption of right?

Mr. STONE. Mr. President, I do not think there is any sanctity attaching to either the House bill or the Aldrich bill or the Dingley law. None of them appear to me as being so sacred that one can not put his finger upon them without an act of desecration; but as the Senator from Rhode Island undertook to tell us that the House committee and the House itself had failed to make the changes he contends for because of the lack of time I deemed it not out of the way to refer to the insufficiency of his explanation.

Mr. ALDRICH. I said "for the lack of time"—I suppose the Senator wants to quote me accurately—"or for other reasons."

Mr. STONE. The Senator says "or for other reasons." What were the other reasons, if the Senator feels at liberty to give them?

Mr. ALDRICH. They had agreed to vote at a certain time by a vote of the House. That is one reason, possibly. But it seems to me it is absolutely inconsequential what the action of the House is or why it was taken. The question before the Senate is the rate which is now proposed by the pending amendment—

Mr. STONE. I am as fully aware of that—

Mr. ALDRICH. Whether it is a proper and adequate rate.

Mr. STONE. I am as well aware as is the Senator from Rhode Island that that is the question before the Senate. Nevertheless, I not only have the right, but it is a logical and proper thing to inquire as to the judgment of the Ways and Means Committee and of the House of Representatives upon this very question, and it seems to me that if the action of the House stands as the judgment of the House—and it came here with the seal of approval stamped upon it by the House committee and the House itself—that action and that judgment should have great weight on the minds of Senators who are seeking to have these rates adjusted on a basis as equitable as is possible under the circumstances.

Mr. SMOOT. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Utah?

Mr. STONE. Yes.

Mr. SMOOT. Do I understand the Senator to take the position that he is in favor of a duty upon lead ore at 1½ cents and also upon the lead product at the same rate?

Mr. STONE. If the Senator will curb his impatience, I will in due time touch upon that question.

Mr. SMOOT. I thought the Senator would simply answer "yes" or "no," and then I would lead up to another question.

Mr. STONE. I do not like to object to interruptions, but it has become a habit in this Chamber, a custom, to use an old phrase, which would be more honored in the breach than in the observance, of interrupting a Senator who is addressing the Senate with questions that break in upon his line of thought and force him to digress and consider points out of order that he intended in due time to discuss. I think Senators ought to be a little more patient and considerate. The thoughts of one man are not always his exclusively; it is probable they also occur to others.

Mr. SMOOT. In answer I will merely say I have been following the Senator pretty closely; I know he is interested, of course, in the question of lead ore, and if he is interested—

Mr. STONE. Very well. I will take up your suggestion now.

Mr. SMOOT. If he is interested in the question of lead ores, he must certainly be interested in the question of bullion, and I was going to ask him a question upon that line.

Mr. STONE. You have asked it. Now, I will take it up.

Paragraph 179, both in the House bill and the Senate amendment, fixes the rate on lead ore at a cent and a half a pound. As that paragraph came from the House it fixed the same rate on bullion or pig lead. I have always thought that if a given rate was placed upon a crude or basic material there ought to be some increase in the rates fixed upon the refined products of that material. I think that is a proper rule, no matter whether a bill is being constructed as a revenue or as a protective measure. If Democrats were in control, as the Republicans are, and we were making a tariff bill from our point of view, so far as I might have a voice in shaping it, I would favor the observance of that rule. I do not think it was unusual or improper, therefore, for the committee to separate ores from bullion, which

they did by taking bullion and similar substances out of paragraph 179 and putting them in a separate paragraph. The differential, however, should have been made by a reduction on ores instead of a raise on bullion, although I do not, in fact, regard a differential in this particular instance as important.

Mr. President, in my opinion a cent and a half a pound on lead ore is more than necessary, even from the standpoint of the Republican protection members of this body; I mean from the standpoint of framing a revenue bill with the protective idea predominant; and yet, since it is in the bill, I am not going to interpose an objection to leaving lead ore undisturbed at that rate. If it is satisfactory to others I will not move to change it, although I would not be unwilling to vote to put it at a cent a pound.

And, Mr. President, I think a cent and a half a pound is enough for bullion.

Mr. BEVERIDGE. For bullion?

Mr. STONE. For bullion.

Mr. BEVERIDGE. May I ask the Senator a question?

Mr. STONE. Certainly.

Mr. BEVERIDGE. I wish to ask the Senator whether from his examination of these two paragraphs—

Mr. WARNER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to his colleague?

Mr. STONE. The Senator from Indiana has the floor at the moment.

Mr. WARNER. I should like to hear what is being said. I am interested in this question.

Mr. BEVERIDGE. I asked the Senator if he thought a cent and a half was sufficient on lead bullion. He said "yes." I was going to ask him whether, from his examination of the provisions of paragraphs 179 and 180, he thought the whole issue arising under both sections would not be involved in a vote on 179, because, as the Senator has just said, 179 strikes out all of the specifications of lead ore and bullion and so forth, and merely makes a cent and a half on lead-bearing ore; and they take out the rest of that paragraph and put it in 180. So if 179 was sustained by a vote of the Senate and 180 was rejected by a vote of the Senate, the whole schedule would be disturbed and destroyed and we should have remaining only a cent and a half on lead ore. So I ask the Senator whether the whole issue he is talking about will not arise on a vote on paragraph 179.

Mr. STONE. That may be so. If the Senate should disagree to the amendment proposed in paragraph 179—

Mr. ALDRICH. What would happen then?

Mr. STONE. It would leave the ore and the bullion at a cent and a half a pound.

Mr. ALDRICH. I beg the Senator's pardon. Then the question would recur on what should be done with paragraph 180. What rate should be imposed by that paragraph?

Mr. STONE. That is another amendment.

Mr. ALDRICH. That is another amendment, but there is no connection absolutely between the two.

Mr. STONE. There is a connection between the two, and a very close connection between the two.

Mr. ALDRICH. Perhaps the Senator from Missouri can explain it. I can not.

Mr. STONE. I can very easily understand it. I am surprised that the astute and distinguished Senator from Rhode Island is confused about it.

Mr. ALDRICH. I am not confused at all. The effect of the adoption of paragraph 179 as suggested by the Senate committee would be simply to fix the duty on lead ore at  $1\frac{1}{2}$  cents a pound—

Mr. STONE. Yes.

Mr. ALDRICH. Without regard to anything else?

Mr. STONE. But if it should be rejected—

Mr. ALDRICH. Then the question would come up on some other amendment or upon adopting the House provision without amendment. Then the question would come, according to the understanding reached by the Senate, upon paragraph 180, if paragraph 179 should be agreed to, and then the question would be as to what rates should be imposed upon pig lead and lead bullion. It is perfectly simple.

Mr. STONE. It is perfectly plain.

Mr. ALDRICH. I am surprised that the morning vigil of the Senator has not permitted him to arrive at that conclusion.

Mr. BEVERIDGE. Will the Senator allow me to ask a question upon that point?

Mr. STONE. Certainly.

Mr. BEVERIDGE. Suppose we were to sustain 179 and suppose we were to reject 180. What would be the condition of the bill?

Mr. ALDRICH. The condition of the bill then would be to reject it entirely.

Mr. BEVERIDGE. Suppose we sustain the Senate committee's amendment to 179 and reject the Senate committee's amendment to 180. What would be the condition of the bill?

Mr. ALDRICH. You mean—

Mr. STONE. Then there would not be any specific rate at all on bullion.

Mr. ALDRICH. Will the Senator from Missouri pardon me for a moment? If the Senate should refuse to fix any rate whatever upon lead bullion or the products of lead, of course they would come in as unenumerated articles at 20 per cent ad valorem. But it is incredible almost to suppose that the Senate is not going to fix some rate upon lead bullion, and when paragraph 179 is adopted, the whole question as to what rate shall be put upon pig lead and lead bullion is open for consideration in the Senate. If it is not fixed by 180, it will surely be fixed by some paragraph to be suggested by somebody.

Mr. STONE. I think so.

Mr. BEVERIDGE. With the Senator's permission—

Mr. STONE. Certainly.

Mr. BEVERIDGE. The Senator from Rhode Island is not as clear as he usually is in saying it is inconceivable that the Senate would not fix some duty. Therefore we see that if we adopt 179 and reject 180, we have by those two votes provided for nothing at all but a cent and a half on lead ore, whereas if both are rejected it leaves the lines from 13 to 19 in 179; in other words, the House provision standing, and thus fixes  $1\frac{1}{2}$  cents not only on lead ore, but lead bullion and scrap lead. That is the reason that the whole issue is involved in 179.

Mr. ALDRICH. It is absolutely incredible that the Senate should refuse to fix some rate upon lead ore or lead bullion and pig iron, and if it is not fixed by the rates now in paragraph 180 they will fix some other rate. No man who is now in the Senate or who ever has been here—

Mr. STONE. That is perfectly plain.

Mr. ALDRICH. Will think differently.

Mr. STONE. It is so plain that it is useless to discuss it. It is perfectly clear that if the amendment which the Senate committee proposes to paragraph 179 shall be disagreed to, it would restore the House provision and put lead ore, and pig lead or lead bullion on a parity; that is, all would bear a cent and a half a pound.

Mr. ALDRICH. Undoubtedly.

Mr. BEVERIDGE. If both were rejected—

Mr. STONE. Now, the Finance Committee have left lead ore in 179 at  $1\frac{1}{2}$  cents a pound, and they have taken lead bullion and transferred it to 180 at a higher rate of duty. That is perfectly clear from the most casual reading of the bill.

While I think that if the naturally expected symmetry of this character of legislation is to be preserved, there should be a gradual increase on manufactured articles, starting from the same base—the rate keeping some kind of step with the refinements in manufactures—yet it must always be difficult to make practical application of the rule and secure proper adjustments; and I do not think it is always of prime importance that the rule should be observed. I believe that lead ore should bear less than a cent and a half a pound, and that bullion should not bear more than that; and, while if both should be left at the same rate, the proper level as between the two would not be maintained, in my opinion, no serious harm and no great commercial disturbance would result.

Lead ores have had this duty of a cent and a half a pound for twelve years, and both the Senate and House committees have recommended a continuance of the same rate, and the House put ore and bullion on a par. I am willing to leave it at that. A cent and a half a pound on ore may be, as I think it is, somewhat too high, but a cent and a half is enough for bullion. I am satisfied to leave the House bill as it is, even though there may be some apparent disproportion in the rates.

Mr. President, why do I think that a cent a pound on lead ore would be ample, even for a reasonable protection?

Mr. SMOOT. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Utah?

Mr. STONE. Certainly.

Mr. SMOOT. If the lead bullion value carried a cent and a half a pound, it would necessarily mean that the lead-bearing ore certainly would not receive the benefit of a cent and a half a pound, even though the bill carried it. Does the Senator agree to that?

Mr. STONE. I do not know. I do not think I quite understand the Senator.

Mr. SMOOT. Let me explain it in this way: When a miner brings his ore to the market and it is assayed, when the day of



settlement comes upon the assayed value of the ore he is paid whatever is the market price on that day of lead bullion. And so the relative advantage that may come to the miner of the ore is affected one way or the other by the price of the bullion, and therefore it would cut no figure whatever. As far as the miner is concerned, if the ore was a cent and a half and the bullion was a cent and a half he would get no advantage whatever by it.

Mr. STONE. The Senator is not so clear as he usually is. But I pass that.

Mr. SMOOT. But is not that—

Mr. STONE. If the Senator will let me proceed in my own way—

Mr. SMOOT. I certainly do not want to interrupt the Senator. I thought the Senator would see that point.

Mr. STONE. I have said that I thought bullion, in the natural course of such legislation, ought to bear a higher rate than the ore. I have said that.

Mr. SMOOT. And if it does not it will affect the ore.

Mr. STONE. Affect the ore?

Mr. SMOOT. The price of the ore.

Mr. STONE. I do not see how it would, of necessity, materially affect the ore. I suppose the thought the Senator has is that if the tariff on the bullion is not sufficient, as compared to ore, that bullion will come in from abroad in larger quantities, and that the price of ore would be reduced in consequence.

Mr. SMOOT. Certainly it will be reduced.

Mr. STONE. I do not assent to the full measure of the Senator's statement. I said I thought a cent a pound on ore would be sufficient. The rate fixed in the McKinley Act for lead ore was a cent and a half a pound. The rate fixed in the Wilson Act on lead ore was three-fourths of a cent a pound, or one-half of what it was in the McKinley Act. In the Dingley Act the McKinley rate of a cent and a half a pound was restored—

Mr. SMITH of Michigan. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Michigan?

Mr. STONE. Certainly.

Mr. SMITH of Michigan. What was the effect of the duty under the Wilson law on the lead industry?

Mr. STONE. I have the imports of the last full year under the McKinley Act—1893—and the imports of the last year under the Wilson Act—1896—and for the year 1907, under the Dingley Act.

Under the McKinley Act there were imported in 1893 \$1,190,639.31 of lead. A cent and a half a pound duty was paid. In 1896 the imports in money value under a duty of three-fourths of 1 cent per pound were \$335,023.66, and under the Dingley rate of 1½ cents a pound there were imported in 1907 \$566,057. There were less importations under the lower than under the higher rates.

Mr. SMITH of Michigan. Mr. President—

Mr. STONE. I know of course that in 1896 there was a widespread industrial depression which did not prevail in 1907. No doubt that may account in large measure—

Mr. SMITH of Michigan. The figures given by the Senator from Missouri would tend to destroy completely the argument that to lower the duty is to increase the revenue.

Mr. STONE. If lower duties do not encourage imports, nor result in expanding their volume, then we had better have lower duties, even to free trade, for the better protection of our industries.

Mr. President, 1 cent per pound on lead ore is equal to \$20 a short ton. The imported ores come chiefly from Mexico. That is the chief competing productive point.

Mr. SMOOT. The Senator does not certainly mean that 1 cent on ore amounts to \$20 a ton on the ore. He certainly means it amounts to a cent a pound on—

Mr. STONE. On the contents.

Mr. SMOOT. On the lead contents?

Mr. STONE. Yes.

Mr. SMOOT. That is not \$20 a ton.

Mr. STONE. But the proportion runs in that degree.

Mr. SMOOT. That is correct. Then you are correct.

Mr. STONE. Not only do ores have a tariff protection, but also a freight protection. The imported ores in 1907 were valued at about \$38 a short ton. The Missouri ores run higher than that in value. I think it is safe to say that the average of the Missouri lead ores will be possibly as high as \$50 per ton. Assuming that to be true, then a ton of Missouri ore worth \$50 would, at 1 cent per pound on the lead, have a tariff protection of \$20 per ton of lead. It will cost approximately \$10 a ton to transport ore from Mexico to a central point, such as St. Louis, and that would be an additional protection. Leaving

the duty as now fixed by law and as proposed in the bill at 1½ cents per pound, the tariff would be \$30 per ton, and that added to the higher transportation charge strikes me as unnecessarily high on a product valued at \$50.

Pig lead under the McKinley Act bore 2 cents a pound, under the Wilson Act 1 cent; under the Dingley Act 2½ cents per pound. Taking the money value of bullion imports for the years 1893, 1896, and 1907, I find they amounted in 1893 to \$161,833; in 1896, under the Wilson Act, to \$661,316; in 1907 to \$1,047,166. The lower rate of the Wilson law did not flood the country with foreign bullion, although our friends over there are wont to say that it was a bill designed to encourage foreign industries and imports.

Mr. President, a cent and a half duty upon bullion would amount to between 40 and 50 per cent ad valorem on every ton of lead bullion brought into the country.

Mr. ALDRICH. What? Will the Senator tell us what the ad valorem rate is upon lead ore and what it has been for the last five or six years?

Mr. STONE. Yes. The ad valorem rate is over 40 per cent.

Mr. ALDRICH. On lead ores?

Mr. STONE. No, lead bullion. On lead ore the rate is more.

Mr. ALDRICH. How much?

Mr. STONE. There is a difference in the tables furnished by the House committee and the Senate committee on that subject. The Senate committee put it at seventy something and the House committee at ninety something.

Mr. ALDRICH. That is a different year.

Mr. STONE. Yes, a different year. One was 1906 and the other 1907.

Mr. ALDRICH. In 1907 it was 78.80; in 1906, 95.74; in 1905, 88.18; and in 1903, 80.26.

Mr. STONE. That is substantially what I said. I was not speaking of ores, however, when interrupted.

Mr. ALDRICH. You were showing that the duty upon lead bullion, figured by the average ad valorem, was less than half at 2½ cents what it is upon lead ore.

Mr. STONE. Well, I say that 80 per cent ad valorem on lead ore is more than necessary, and I think 40 odd per cent on lead bullion—

Mr. ALDRICH. But the Senator was showing conclusively that 2½ cents, which is the present rate upon pig lead, was only about 40 per cent ad valorem, while the duty upon lead ore, the basic substance, was 78.80 per cent.

Mr. STONE. I beg pardon, but I was not showing that nor even discussing that when the Senator interrupted me, but what he says as to the ad valorem is the fact.

Mr. BACON. Will the Senator permit me to ask the Senator from Rhode Island a question?

Mr. STONE. Certainly.

Mr. BACON. I wish to ask the Senator a question for information about something that I do not understand. I alluded to it yesterday. I do not know whether I understood the Senator correctly this morning or not, but I find that pig bars are put down at 49.45 ad valorem. Is that correct?

Mr. ALDRICH. Two and one-eighth cents is the present rate.

Mr. BACON. And the amount I state is the ad valorem at that rate.

Mr. ALDRICH. That is right.

Mr. BACON. The point I can not understand is this: Of course I know that percentage varies. The ad valorem will vary when there is a specific duty as the value of the article varies. But in the matter of the ore, the duty is specified as being the duty on the lead contents. I can not understand how at 1½ cents the lead contents will be 50 or 60 per cent greater. The Senator said it was only 28 cents. That is a great mistake. There is a difference of 28 cents, but 28 cents is 50 or 60 per cent. So it is 50 or 60 per cent, without speaking exactly accurate, of course. In other words, the 24½ advance would be 50 per cent, because it is 50 per cent of 49.

Mr. SMOOT. They are both percentages. They are not changed. One is a per cent of 76 per cent and the other is 49 per cent.

Mr. BACON. Very well, each of them is a per cent.

Mr. SMOOT. If you speak of an advance on the per cent that is another matter.

Mr. BACON. I say that 78.80 is 50 or 60 per cent greater than 49.45; in other words, it is that much in advance of the rate on the bullion.

Mr. SMOOT. That is a different proposition entirely.

Mr. BACON. I mean to say this—

Mr. ALDRICH. I will explain the matter to the Senator if the Senator from Missouri will allow me.

Mr. BACON. I really wish to have it explained. I do not understand it.

Mr. STONE. Mr. President—

Mr. BACON. I will not trespass upon the time of the Senator from Missouri now.

Mr. STONE. Mr. President, the Senator from Rhode Island can explain it. It seems to me to be easy of explanation. As the Senator from Utah says, it is a matter of per cent. To illustrate, the per cent or ad valorem equivalent of  $1\frac{1}{2}$  cents per pound on a ton of ore weighing 2,000 pounds and valued at \$45 would be considerably greater than the equivalent of  $2\frac{1}{2}$  cents a pound upon a ton of bullion valued at \$85 a ton. It is the difference in value that affects the difference in per cent.

But, Mr. President, although the ad valorem equivalent on bullion is only about half that on ore, it is still sufficient. A 49 per cent ad valorem tax upon a metal production ought to be enough to satisfy any industry of that kind. At all events, it is enough to satisfy me, having, as I do, some due regard to the rights of other people, the consumers of the various productions.

Now, Mr. President, respecting white lead, I wish to say a word. Under the McKinley law the rate fixed was 3 cents a pound; under the Wilson law  $1\frac{1}{2}$  cents a pound, or one-half of that imposed by the McKinley law; and under the Dingley law it was raised to  $2\frac{1}{2}$  cents per pound. The imports of white lead for 1893 in money value was \$41,319.50; in 1896, \$24,421.34; and in 1907, \$38,481.50. Manifestly, the Wilson law did not flood the country with foreign white lead. Altogether, of the different kinds of lead, reckoning from ores up, imported in 1893, the money value was \$1,351,472.31; in 1896, \$986,341.67; and in 1907, \$1,609,223.15. So, no matter what the form of the production, the lower tariff of the Wilson law did not swell the tide of importations.

The domestic production of lead in 1893 was \$11,839,590 against \$1,351,472 of imports, and in 1896 the domestic production was \$10,528,000 as against \$986,341.67 of imports. The falling off in importations in 1896 as compared to 1893 was relatively much greater than the falling off in domestic production. In 1907 the domestic production was \$38,707,596 as against \$1,609,223.15 of imports. It will be observed that there was a large increase both in production and imports. So, Mr. President, whether under the lower or the higher tariff it is clear that the lead mining and manufacturing industry has not been menaced by any overflow of foreign production, nor is there any reason to apprehend that danger now.

Mr. ALDRICH. Will the Senator permit me?

Mr. STONE. I will permit the Senator, of course.

Mr. ALDRICH. Is the Senator aware that during the two years that the Wilson law was in operation there were imported into the United States the first year 82,000,000 pounds of pig lead, valued at \$1,823,000, and the second year 66,131,000 pounds, valued at \$1,200,000, and that the largest importations under the present law in any year were 24,000,000 pounds in 1907? Does the Senator consider that the result of the Wilson law was an invasion of the markets of the United States or not?

Mr. STONE. How much did the Senator say the importation was in value in 1907?

Mr. ALDRICH. Twenty-four million pounds, valued at \$1,000,000.

Mr. STONE. I was giving the money value, not the weight or measurement of the importations.

Mr. ALDRICH. I am speaking about the lead that came into this country in competition with the American producers.

Mr. STONE. I am doing the same thing.

Mr. ALDRICH. Not exactly. The Senator is doing it in a round-about way.

Mr. STONE. I was doing it in a direct way. I was giving the money value of the importations, and that is better than to give the weight in pounds.

Mr. ALDRICH. Let me give another. In 1908 the importations were 4,000,000 pounds, and the value \$176,000, against a valuation of \$1,823,000 under the Wilson law.

Mr. STONE. What year of the Wilson law?

Mr. ALDRICH. In 1895 and 1896, the only two years, thank heaven, that it was in existence.

Mr. BACON. Will the Senator please state what was the revenue derived from it?

Mr. STONE. The Senator from Rhode Island has a right to thank heaven, I suppose, for anything he pleases; I do not know just what he pleases to do it for at this time.

Mr. ALDRICH. I think the Senator from Missouri can comprehend that suggestion.

Mr. STONE. I can not.

Mr. ALDRICH. I think the country comprehends it.

Mr. STONE. No.

Mr. ALDRICH. I think so.

Mr. STONE. Well, the Senator and others like him have undertaken to mislead the country with regard to the Wilson law, and have met with a large degree of success.

Mr. ALDRICH. In 1895 the value of duties collected—this is what the Senator from Georgia desired—amounted to \$826,000 and in 1896 to \$661,000.

Mr. BACON. How much was the revenue in 1908?

Mr. ALDRICH. Ninety-four thousand dollars. So if the revenue is the only thing to be considered, of course the lower rate is more important.

Mr. STONE. Mr. President, the statistics I have examined, and from which I took the figures I have given to the Senate, are statistical tabulations prepared by Mr. Evans for and at the instance of the House committee, and from the Mineral Resources of the United States, prepared by the Geological Bureau in 1907. I assume they are approximately correct, although I observed in looking at different tables that have been furnished that they do not always exactly agree. The tables from which I quote do not accord with those from which the Senator from Rhode Island quotes.

Mr. ALDRICH. There is always a discrepancy between the reports on mineral resources by the Geological Survey and the Bureau of Statistics. One applies to the calendar year and the other to the fiscal year. So there would be a slight difference in the figures.

Mr. STONE. I think the Senator is correct about that. Still, whether from one source or the other, the data is supposed to be approximately correct. The small variations that may appear should not be material. At least, the tables furnished by the House and Senate committees should have some semblance of accord.

Now, Mr. President, I do not care to detain the Senate by prolonging these observations. I desire to remark by way of conclusion that I will not even in my own State yield to a pressure if brought or attempted upon me to impose tariff duties that I believe to be unnecessary and unjust. The Republicans in Congress are making this bill and are making it on protective lines. I recognize that fact. But as one of the representatives from a State employing thousands of men in the various departments of this particular industry, and which represents enormous investments of capital, I will not consent to cast a vote at the behest of anyone to impose an exorbitant and unnecessary tax upon the consumers of the commodities they create.

Observing the line you are pursuing in the construction of this measure, I shall not protest or complain when duties are not exorbitant but are fairly reasonable, from the standpoint of a protective-revenue measure. I will not approve what you do, but it would be vain to protest. I wish it understood that I do not approve the Republican policy, and will not indorse it even as to given products because my State may happen to be especially interested in them, and hence I have said what I have with regard to this schedule. Whatever my view as to the wisdom of your policy, I shall not wail out my protest whenever you fix a protective duty within the bounds of reason. But whenever you go beyond reason into excess and keep pressing a heavier and heavier hand upon the thousands who consume the products of any industry I will not give to it the sanction of my vote, but I will protest against it, even though some of my constituents may be among the favored beneficiaries.

Mr. SUTHERLAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Utah?

Mr. STONE. I do.

Mr. SUTHERLAND. Perhaps the Senator may have stated—if so, I did not hear it—but what amount of duty does the Senator think could be imposed upon the lead contents of ore?

Mr. STONE. I have already stated, Mr. President, that I think 1 cent per pound would be ample even from the standpoint of a reasonable protectionist. I do not speak of a prohibitive duty, but a duty that would be amply protective from the Senator's point of view and yet produce a fair proportion of revenue.

Mr. SUTHERLAND. As I understand the Senator, he thinks—

Mr. STONE. I beg the Senator to let me conclude. As I have said, inasmuch as a cent and a half a pound has been imposed upon the importations of lead ores for a decade and more, and inasmuch as the Senate committee and the House committee have reported that rate, I will make no motion to change it, but am content to leave it as it is, if that should be the pleasure of the Senate.

Mr. SUTHERLAND. If the Senator will permit me, I wish to call his attention to a fact which came under my own observation in my own State. Under the Wilson law the duty on



lead contained in lead-bearing ores was three-fourths of a cent a pound. While that law was in operation lead brought in the markets of this country prices ranging from 2½ to 3½ cents a pound. A part of the time it was as high as 3½ cents. But during that entire period of time, when lead was selling as high as 3½ cents a pound, at least three-fourths of the lead-producing mines in my State were closed, because the lead producers in that State could not afford to produce lead from their mines at 3½ cents a pound.

Under the operation of the Dingley law fixing the rate at 1½ cents a pound the prices have ranged from 4 cents to 6 cents a pound. In a short length of time lead brought as high as 5 or 6 cents, but on an average it has been less than 5 cents a pound. During the last few months the price of lead has fallen to about 4 cents a pound, and to my personal knowledge some of the lead-producing mines in my State have been compelled to close operations, because they could not afford to produce lead at 4 cents a pound. However, when the price of lead has risen to about 4.30 or 4½ cents they have been able to resume operations.

It seems to me that goes to establish that it is necessary the duty should be 1½ cents, as it has been during the last twelve years, in order to enable at least a very large proportion of the mines throughout the Rocky Mountain region to operate at all. If we cut the duty down to 1 cent, my judgment is, from the observation I have given the subject, that perhaps more than one-half of the lead-producing mines in my State will be compelled to close their operations; and that, of course, means throwing out of employment the thousands of men employed in the mines and in the smelting industries and other industries that are associated with the mining industry.

Mr. STONE. Mr. President, the apprehensions of the Senator do not impress me as well founded. He says that during the operation of the Wilson law the price of ores ranged around 3½ cents, or about that per pound; that later, under the operation of the Dingley law, the prices advanced to over 4 and sometimes to 5 cents a pound. More recently, while this Dingley law is still in force, the ores raised from Utah mines, so the Senator says, have gone down to 4 cents per pound, and that mines have been closed because they could not operate them at that price with profit, just as they were closed under the Wilson Act. This seems to me to show one thing at least—that the value of ore is not determined by a tariff duty. The Dingley law is still in force, and there is no threat of legislation here to reduce the rates, and yet the value of the ore has been sinking, and the Senator says it has gone so low that mines have been and are being closed in his State.

Mr. SUTHERLAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Utah?

Mr. STONE. Yes, sir.

Mr. SUTHERLAND. The Senator says there was no threat to reduce the duty. The Senator will remember that not only was there a threat to reduce the duty to 1 cent, but the House committee actually reported a duty at 1 cent in the first instance, and afterwards, at the last moment, as has been explained here, increased it to 1½ cents. But the threat that the duty would be reduced to 1 cent was in operation for many months.

Mr. STONE. There may have been some vague threat, but I have not until now heard of it, and it certainly has not taken shape or form in this legislation. It certainly can not be that mines were closed and men thrown out of employment because of a mere apprehension that the ore duty might be reduced. It is hardly within reason to attribute that effect to that cause.

Mr. President, the fact is the value of the product at any given time is not so much dependent upon the tariff rate as it is upon the industrial condition of the country at that time; price is chiefly regulated by the old rule of supply and demand.

Now, Mr. President, when last interrupted I was upon the closing sentence of what I wished to say, and that had reference to the particular item in this bill to which the Senator from Kansas [Mr. BRISTOW] addressed himself on yesterday—white lead, which is a form of lead that goes into the manufacture of paints. We have more people who use paints than are engaged in making them, and these consumers are as much entitled, I do not say more, but as much entitled to consideration as those who produce them. Equal regard should be had for both classes, those who make and those who consume. I believe with the Senator from Kansas [Mr. BRISTOW] that the rate fixed upon white lead by the House committee and sent over here after a full hearing and a careful examination is sufficient. The Senator from Rhode Island smiles at this and turns away, but that does not decide the question. It may decide the issue in the Senate, but not the right of the proposition. It seems to me that when that great Republican committee which framed

this bill in the first instance over in the House of Representatives determined upon that rate as affording ample protection it would be well not to exceed it here, lest you do injustice and perpetrate a great wrong against the millions who consume this article—an article that may be easily classified as one of common necessity; and so, Mr. President, I shall vote against the increases proposed in this schedule by the Senate committee.

Mr. WARNER obtained the floor.

Mr. CULBERSON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Texas?

Mr. WARNER. Certainly.

Mr. CULBERSON. Before the Senator from Missouri begins, would he allow me to ask the chairman of the committee a general question on this subject?

Mr. WARNER. Certainly.

Mr. CULBERSON. I should like to ask the chairman of the committee whether it is true that, taking paragraph 51 and paragraphs 179 and 180 into consideration, the changes made by the Senate committee do not amount to a reassertion of the Dingley rate?

Mr. ALDRICH. They do.

Mr. WARNER. Mr. President, yesterday there was some confusion as to the process of making white lead, and I thought it would be of importance at this time to have it made clear to the Senate. I send to the Secretary's desk the Century Dictionary and Encyclopedia giving a description of the process, and I ask that it be read.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Secretary read as follows:

White lead, a mixture of the carbonate and the hydrated oxide of lead in somewhat varying proportions, approximating to 75 per cent of the former and 25 per cent of the latter. It is prepared as follows: Metallic lead is cast into perforated disks 7 inches in diameter and one-eighth inch thick, technically called "buckles." These are packed into earthenware pots 15 inches high, and to each pot is added a small amount of acetic acid. The pots are then piled into bins 40 feet square, and the whole covered with spent tan bark and left alone for nearly three months. During this time the temperature rises, steam is given off, and a rather complex chemical decomposition takes place, by which the metallic-lead buckles become converted into the white carbonate. But the quantity of lead converted into white lead seldom amounts to more than 65 per cent. The bins are unloaded and the contents of the pots thrown into a revolving screen, which separates the white lead from the unconverted metallic lead, this latter being remelted and put through the process again. The white lead is ground to a fine powder, and then made into a paste with 10 per cent of linseed oil, forming the paint known as "white lead in oil." This method of converting metallic lead into white lead is known as the "Dutch process." Other methods tending toward greater quickness and economy have also been used.

Mr. WARNER. Mr. President, my only purpose in rising was to have that extract read. I may, however, say in a word that while I understand my colleague [Mr. STONE] and I will agree ultimately in the vote upon paragraph 179, I hardly agree with him on another proposition, and that is that a low rate of duty would not increase importations. I hardly think that persons familiar with the lead-mining industry in Missouri in 1895 and 1896 would attribute the small importations at that time to a low rate of duty. I am not able to say as to the effect upon the lead mines in other States of this Union, but I think I am fully authorized in saying that the lead mines in the Joplin district and in other districts of Missouri were paralyzed; they were shut down; the miners were thrown out of work, and that condition existed until the increase of the duty. As to what effect the lowering of the duties may have had or what effect the increase of the duties may have had, in the face of the condition, I enter into no discussion with anyone. It seems to me to be self-evident.

Mr. CLAPP. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Minnesota?

Mr. WARNER. With pleasure.

Mr. CLAPP. Mr. President, in view of the fact that the price of this article has fluctuated, and is fluctuating to-day under a continued tariff, might it not be true that the depression or the lowering of the price from 1893 to 1897 was due to the general depression then existing rather than to the particular lowering of this duty on lead? I think we lose sight of that in this comparison of conditions.

Mr. WARNER. Not at all. I thought that that fact was so evident that I did not refer to it. I have no doubt that it entered into the consideration.

Mr. President, I have taken some interest in this schedule and in the zinc schedule, first, because I believe it is in the interest of the American people, carrying out the doctrine of giving protection to American labor, and, I am free to confess, in part because it is a great industry in my State, affecting thousands upon thousands of laboring men.

In this connection I desire to send to the Secretary's desk to be read the words of a great Senator, spoken in this Chamber in 1883, while, I think, the Morrison tariff bill was under discussion. I ask that the extract from Senator Vest's speech may be read.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Secretary read as follows:

As I said the other day, I have never risen myself to that solar region, that high philosophical lunar altitude, where I could overlook the people who sent me here and the State which did me the honor to give me a place on this floor. While I am a Senator of the United States, I am not here to take care especially of Massachusetts or Pennsylvania, when they have Senators upon this floor who, more ably than I can possibly do, look to those interests. I believe, as a Democrat, that the ligament which binds these States together to a common prosperity and in a glorious Union is the ligament based upon state interests, local interests, and the fact that every local interest is represented upon this floor and in the Chamber of the other House.

Mr. WARNER. Mr. President, a Senator has just asked me from whose speech the extract which has just been read was quoted. I will say it was quoted from the speech of a distinguished Senator who has been referred to many times in recent debates upon this floor as an old-time Democrat; a Senator whose fervid eloquence had given a charm for twenty-four years to the debates in this Chamber; a Senator whose pathos has moved his colleagues to tears, whether in pronouncing a eulogy upon a dead Member or paying a tribute to man's best friend, the dog.

Mr. STONE. If my colleague will permit me, I should like to observe that I think that is the only expression which ever fell from the eloquent lips of my distinguished predecessor, so much beloved in Missouri, that my colleague has ever applauded.

Mr. CARTER. Mr. President, the discussion on the lead schedule seems to have reached a point where the only question remaining to be determined is as to the adequate rate of duty to be fixed. I do not by that remark desire to have it understood that I allege that every Senator in the Chamber will support a duty on lead or any of the products of lead, but I do think that a decided majority of the Senate is in accord with the policy which has prevailed with reference to the lead industry for a long time. I shall not, therefore, detain the Senate in any description of the vast industries, not alone of lead mining and the manufacture of lead products, but the vast interests involved in the complex commercial and industrial life of certain States in the Union where this lead production is of great local importance.

The subject is not a new one, and we are not, therefore, required to speculate as to the duty which may be deemed adequate. Under the tariff law of 1883 lead ore was made dutiable. In 1889 the Treasury Department held that lead ore was an ore in which the lead value predominated over the value of any other metallic substance contained in the ore. Lead ore as mined in Mexico and also in Colorado, Idaho, and other States of this Union is generally accompanied or found in union with silver, gold, and sometimes copper. This Treasury construction, that ore predominating in silver value was silver ore rather than lead ore where the silver value predominated or exceeded the lead value, led to vast importations of lead from Mexico under the classification of silver ore, free of duty, and that line of importations from Mexico closed down the silver-lead mines of Colorado, Idaho, Utah, and the entire Rocky Mountain country, besides introducing into the commerce of the country a surplus of free lead, which put the Missouri lead miners out of business. An attempt was made to have that Treasury ruling reversed, but without success.

When the McKinley bill came forward for consideration, the language now employed in the pending measure was used to prevent or preclude such construction as has led to mischievous results; so that this phraseology is now employed in fixing the article on which the duty is to be levied at  $1\frac{1}{2}$  cents per pound, to wit:

Lead-bearing ore of all kinds,  $1\frac{1}{2}$  cents per pound on the lead contained therein.

Under this phraseology the amount of gold or silver in the ore is of no avail as a means of evading the duty intended to be imposed on the lead imported with the ore. Notwithstanding the duty was  $1\frac{1}{2}$  cents a pound at the time this evasion to which I have referred occurred, the evasion was sufficient to reduce the price of lead in the United States to a point where Missouri, with its splendid measures, Colorado, with its great deposits, and Idaho, with its superb mines, were all forced to yield to the production in Mexico, upon a law that has never been enacted and never can be repealed—the law relating to the cost of labor as a factor in production. Miners were paid from 50 to 75 cents per day in Mexico to mine this ore. They could not be induced to work in the United States for less than from \$2 to

\$3.50 per day, working eight hours per day, as the Senator from Missouri [Mr. WARNER] suggests to me. Very naturally the 75-cent man put the \$3.50 a day man out of business.

A little later on, the phraseology being retained, the duty on lead ore was reduced to three-quarters of a cent per pound. That reduction was tantamount to placing the lead in the ore on the free list. This is not a matter of speculation; it is a matter of history. One of the most lusty and vigorous of the brigades in Coxey's army came in from the lead mines of the Coeur d'Alene country.

Mr. President, the fact that production has been increasing in but a meager way under the  $1\frac{1}{2}$  cents per pound duty, the fact that a slight evasion of the duty at that rate will prostrate this lead industry, the fact that it has been shown that a duty of three-fourths of a cent a pound is no better than free trade in lead or lead ore or the contents of lead ore, amounts, it seems to me, in our current experience to a demonstration of the fact that, as to this schedule at least, we have secured that which is adequate and not excessive as a rate of duty.

It is difficult to go into an analysis of the comparative efficiency as to miners or any other class of workmen. Mathematically considered, many questions are to be taken into consideration in determining just what is an adequate and efficient compensatory duty on the labor side of the question; but when we have an experience extending over a quarter of a century to guide us, it is not necessary to indulge in excursions through a maze or labyrinth of figures to reach correct conclusions.

The Senator from Missouri [Mr. STONE] thinks \$1 per hundred, or 1 cent per pound, would be an adequate duty on lead. I submit to him that three-fourths of a cent a pound was ruinous, and the meager advance he suggests might not be any better. We do know that this duty would result in keeping our miners at work and all the activities connected with the mining operations of the country in a healthy state of progress.

The Senator from Missouri said that while he would stand with his colleague for a duty of \$1 per hundred, or 1 cent per pound, on lead, he thinks that on the products of lead the duty ought to be very radically reduced.

Mr. President, the principle applicable to this schedule will run through all of the schedules we may be called upon to consider in connection with this bill. It is of no avail to the grower of wool to have a duty on the wool imported into this country if he is bound by conditions to ship his wool to foreign markets for sale. The duty is of avail to him only with the American market place to sell in. I should like to have the Senator from Missouri explain how 1 cent or 10 cents a pound duty on lead would be of any use whatever to lead producers in Missouri, if those lead producers are deprived of the American markets in which to sell their lead; and the American market for the sale of lead is dependent upon the continuance of the manufacture of lead into the various forms in which it is useful to commerce and to the consumer. Put white lead on the free list, or reduce the duty on white lead so that it can not be successfully manufactured in this country, and a duty of 10 cents a pound on the lead contained in Missouri ore is no better than a duty of one-tenth of 1 cent per pound, because, in either event, the lead of Missouri must be sold in the open markets of the world, instead of in the protected market of the United States. The logic of the situation drives the Senator from Missouri either to abandon his position for any duty upon lead or constrains him to support by a reasonable compensatory duty the American manufacturer of lead products, so that he may have a market at home for that which is produced in Missouri.

It seems to me these propositions are elemental. A producer of so-called "raw material" in the United States can in no case be benefited by a protective duty on his so-called "raw material" if all the compensatory and protective duties are taken off the finished product.

Mr. NELSON. Mr. President, without intending to take up the time of the Senate or delay a vote, I desire to give a brief citation from that standard work entitled "Imports and Duties, 1894 to 1907, House Document 1504, second session, Sixtieth Congress." Looking at the statistics furnished in that book, it does not appear that the tariff has had exactly the effect on lead ore for which the Senator from Montana [Mr. CARTER] contends. I find on page 579 that in 1896, under the tariff law of 1894, when there was a duty of three-fourths of a cent per pound on lead, there were 42,973,425 pounds of lead imported, and that the average import price was 1.6 cents per pound. I find that, under the Dingley law, in 1906, ten years later, we imported 70,720,321 pounds, almost twice as much as in 1896, and that the import price was exactly the same—1.6 cents per pound.



Mr. ALDRICH. But if the Senator will look at the import prices for the other years, he will find that the year he has selected was the only one under the act of 1897 when the price was 1.6 cents.

Mr. NELSON. We imported 70,702,321 pounds in 1906. In 1907 we imported 29,738,375 pounds.

Mr. ALDRICH. And the unit of value in that case was 1.9 cents. In 1908 it was 2.6 cents. The year selected by the Senator from Minnesota is the only year of the eleven years in which the value reached the point suggested by him.

Mr. NELSON. The statistics show that under the Dingley law and under the Democratic tariff law of 1894 lead-bearing ore is put in two classes. There is, first, lead contained in silver ore. The import of that was, as I have said, 42,973,425 pounds. The import price was 1.6 cents per pound. Now, of lead contained in other ores and dross during that same year there were imported only 363,163 pounds, and the price was 3.9 cents per pound. I have looked through this book, and in many instances it will be found that, even where you increase the tariff, you do not diminish the importations. By increasing the tariff you simply enable the producer to levy a greater tribute.

I understood the Senator from Utah [Mr. SUTHERLAND] to say that the price of lead was 4 cents, or 3½ cents. I should be glad if the Senator would state it again.

Mr. SUTHERLAND. I said that during the period that the Wilson law was in operation—

Mr. NELSON. I mean now—the last two or three years; the year of 1907, for instance.

Mr. SUTHERLAND. The price has ranged through the last twelve years from 4 to 6 cents. I do not recall that it has fallen below 4 cents, although it may have done so.

Mr. NELSON. That shows that it has been sold for the import rate plus the duty.

Mr. SUTHERLAND. It reached the price of 6 cents only at one time for a very short period. The average price has been somewhere between 4 and 5 cents. Upon one occasion it did reach as high as 6 cents.

Mr. OWEN. Mr. President, I trust that I will not be interrupting the debate if at this time I ask the indulgence of the Senate for a few minutes that I may place upon the record a brief comment upon the constitutionality of the income tax.

I believe in the policy of the income tax not only because it is justified on the principle of the more equitable distribution of the proceeds of human labor and that those with great incomes should contribute more to the support of government, but because, also, it will excite the interest of the wealthier classes in a more economical administration of government and in a purer form of government.

I favor an income tax broadly and without any limitations to adjust it to the opinion of the Supreme Court recently rendered (1894) in the Pollock case.

I shall not take the time of the Senate to discuss the advisability of the income tax from the standpoint that it is justified because it falls upon those more easily able to conveniently meet the expense of the Government; since this consideration, while of interest, would be of little avail if the income tax were unconstitutional.

In view of the arguments submitted before the Supreme Court, its opinions in favor of an income tax for one hundred and eight years and its change of view by the narrow margin of one vote in 1894, I agree with the Senator from Texas [Mr. BAILEY] that we are justified in asking that there shall be a reconsideration of this question, and I shall agree, moreover, to the proposition of the Senator from Nebraska [Mr. BROWN], if, upon reconsideration, the Supreme Court still adheres to its opinion, that we shall propose an amendment to the Constitution of the United States for the purpose of writing permanently in the policy of this country this method of raising revenues for the conduct of government.

Mr. BROWN. Mr. President—  
The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Nebraska?

Mr. OWEN. With pleasure.

Mr. BROWN. I do not like to have the Senator from Oklahoma misunderstand my position. I am not in favor of waiting until the Supreme Court of the United States has reviewed its former decision in this matter before proposing an amendment to the Constitution. My proposition is to submit the amendment now, and at the same time adopt an amendment to the bill providing for an income tax.

Mr. OWEN. Mr. President, I will agree with the Senator from Nebraska as to the immediate consideration and submission of the proposed constitutional amendment. I was only intending to suggest that I believe the Supreme Court itself

would, upon a reconsideration of this matter if again submitted by the Congress and in the light of what I shall now submit to the Senate, change its opinion, because I think I can demonstrate to the Senate that the Supreme Court ought to change its opinion, and that the defense of the income tax before the court was fatally defective.

The controversy as to whether or not the income tax is constitutional turns upon the interpretation of the meaning of the words "direct tax," as used in clause 4, section 9, Article I, of the Constitution.

I have considered the decisions and the arguments made and the history of this clause, and think it my duty, as a Member of this body, to make record of my conclusions with regard to the true meaning of this term as used in the fourth clause of section 9. I do not agree with those who hold that the direct tax here referred to, and which is inhibited unless apportioned, means a tax on real property or on the individual at all; its real meaning is a *direct tax on the United States*, to be apportioned upon said States severally, in accordance to their population under the constitutional plan of apportioning representation, and does not mean a *direct tax on the citizen in any sense*.

In the Hylton case, decided by the Supreme Court in the February term of 1796, the court decided that a tax on carriages was not a "direct tax," under clause 4, because not capable of apportionment. It was a correct conclusion. But the reasoning premises were erroneous, because Justice Iredell said (3 Dallas, 181) to support the conclusion it was not a *direct tax*, under clause 4, that "a tax on carriages is a tax on expense or consumption," and in effect an *indirect tax*.

He should have said, "Congress has a right, under section 8, to impose on the citizen a *direct tax*. The 'direct tax' of clause 4, section 9, requiring apportionment, exclusively refers to a *direct tax on the United States* apportioned severally."

Justice Patterson, conceding, *erroneously*, that a direct tax on the citizen required apportionment, *erroneously* argued that a tax on carriages was indirect and therefore permissible.

He said because it was in the nature of a duty or a tax on expense and an *indirect tax*, he supported it. But he was justified in supporting it as a direct tax under section 8, and it could not be described as falling within the meaning of a "*direct tax*" in any contingency under clause 4 of section 9. He said he supported it because it was "in the nature of a duty or a tax on expense and an indirect tax."

And Justice Chase likewise said (*ibid.*, 175):

It seems to me that a tax on expense is an *indirect tax*.

The decision of the court was sound in sustaining the tax, but it was decided upon the erroneous theory that a tax on carriages was not a direct tax, and that if it had been and was not capable of apportionment, it could not be laid by Congress.

Justice Iredell also said:

*Perhaps a direct tax in the sense of the Constitution can mean nothing but a tax on something inseparably annexed to the soil; something capable of apportionment under all circumstances. A land or a poll tax may be considered of this description.*

And throughout the entire decision there runs an apologetic vein—the idea that the United States did not have the right to lay taxes directly on the citizen; but if a *direct tax* were laid upon the citizen, it must be apportioned.

And this erroneous conception of this phrase, used in clause 4, section 9, by the influence of the weight of the doctrine of *stare decisis*, has perpetuated this error from 1796, when the court decided correctly upon erroneous reasoning, down to 1904, when the Supreme Court, upon this erroneous reasoning of previous decisions decided against the income tax erroneously, but logically enough having accepted this false premise. The false premise was that a "direct tax," within the meaning of clause 4, section 9, Article I, meant a *direct tax on the citizen* and not a *direct tax on the United States*. The exact contrary was true. This question has been discussed with wonderful learning and vast research, but in all of this discussion the learned bar and bench has faithfully bowed down to the influence of *stare decisis* and learnedly perpetuated the original error. Both the friends and the foes of the income tax have acquiesced in the original and fatal error.

The clauses relating to this matter are as follows:

Article I, section 8, clause 1. The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and the general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States.

Article I, section 9, clause 5: No tax or duty shall be laid on articles exported from any State.

Article I, section 9, paragraph 4: No capitation or other direct tax shall be laid, unless in proportion to the census or enumeration heretofore directed to be taken.

The enumeration referred to is found in Article I, section 2, clause 3, to wit:

*Representatives and direct taxes shall be apportioned among the several States which may be included within this Union according to their respective numbers, which shall be determined by the adding to the whole number of free persons, including those bound to service for a term of years and excluding Indians not taxed, three-fifths of all other persons. The actual enumeration shall be made within three years after the first meeting of the Congress of the United States, and within every subsequent term of ten years, in such manner as they shall by law direct.*

Direct taxes may have either of two meanings:

First, direct taxes imposed by the State, county, or municipality directly on the citizen.

Second, direct taxes imposed on the United States, as sovereign separate entities, by the Congress, to be apportioned according to population under the same rule as determined the representation of such States.

To arrive at the true meaning of the "direct taxes" referred to in these two latter clauses it is necessary to consider the history of this phrase.

Obviously, a "direct tax" might have been imposed by Congress on the United States by making direct requisition on them for \$100,000 apiece for the common expense, and as each of them were sovereign powers, claiming equal right of representation, this would not have been altogether unreasonable, and it was to avoid this direct tax and uniform direct tax on the States which led to clause 4, section 9, requiring its apportionment. No such reason obtains as far as the direct tax on the citizen is concerned.

But the phrase "direct tax" might also be used within the State to mean the direct tax levied on the citizen by his State, by his county, or by his municipality. And here is where the confusion has occurred, for both bench and bar have failed to perceive that the terms "direct taxes" and "direct tax" in the above two clauses exclusively meant "direct taxes" and "direct tax" to be laid on the United States as States and therefore to be apportioned, and did not mean "direct taxes" or "direct tax" on the citizen, the apportionment of which among the States was meaningless, illogical, absurd, and impracticable.

The word "tax" is a very comprehensive word, and possibly includes all burdens and impositions by virtue of the taxing power with the object of raising money for public purposes, and are direct or indirect according to the manner of imposition. Ordinarily we regard as indirect taxes duties, imposts, and excises which are paid by the importer or the manufacturer and charged to the ultimate consumer by an increased price, but the Constitution authorized Congress (sec. 8) to lay and collect taxes on the citizen as well as duties, imposts, and excises. The latter three are both direct and indirect taxes and were required to be made uniform; but the authority under the Constitution that Congress should lay and collect taxes involves broadly all kinds of taxes which fall upon the individual, and this right has been exercised on the individual without question until 1894, when the Supreme Court of the United States held the income tax invalid because it was a *direct tax* and not apportioned among the States according to population, as required by the two clauses last named.

Mr. CRAWFORD. Mr. President—

The VICE-PRESIDENT. Does the Senator from Oklahoma yield to the Senator from South Dakota?

Mr. OWEN. With pleasure.

Mr. CRAWFORD. It occurs to me that the proposition the Senator is now developing is rather an original and novel one. I may be mistaken about it, however. Do I understand him to say that the Government of the United States, within the provisions of the Constitution, can levy a tax as a direct tax upon a State as a sovereignty?

Mr. OWEN. I do.

Mr. CRAWFORD. Where do you get the authority for that proposition?

Mr. OWEN. I am going to explain that at length. I find the authority in the proceedings of the Constitutional Convention. I find the authority in the Articles of Confederation and in the Constitution of the United States (clause 4, sec. 9, Art. I). I find the authority in the acts of Congress of 1798, of 1813, and of 1815, in which the Congress, in express words by acts of Congress, laid a tax of so many million dollars, not upon the citizen, but upon the United States, to be apportioned among the several States under the constitutional rule.

The defense of the income tax that it was an indirect tax was found fatally weak by a majority of the Supreme Court of the United States in the Pollock case. Their reasoning was logically correct; their premises and conclusion erroneous.

With that logical reasoning I agree. But I do not agree with the conclusion, because the United States had a right under

section 8 to lay a direct tax upon the citizens and upon the States, but if it did lay a "direct tax" within the meaning of clause 4 of section 9, then it was exclusively a direct tax upon the United States as States, to be apportioned among the States severally according to the rule of population and apportionment laid down in the Constitution, Article I, section 2, clause 3.

Congress was given the broad authority to lay and collect taxes on individuals by section 8; but in laying a (gross) capitation or other "direct tax" on the United States, Congress was required to apportion the same under section 9, clause 4, and did so in the acts of 1798, 1813, 1815, and so forth.

THE HISTORY EXPLAINS THE MEANING OF THE TERM "DIRECT TAX" AS USED.

The history of clause 4, section 9, and of clause 3, section 2, explains clearly that the term "direct tax" meant neither more nor less than a direct tax on the United States, and that it did not mean a direct tax on the citizen.

This construction makes the Constitution harmonious with itself, and perfectly coherent and sensible and practicable.

It makes it consistent with the history immediately preceding the formation of the Constitution.

Chief Justice Fuller well said:

Under the Articles of Confederation the Government of the United States was limited in the exercise of this power to requisitions upon the States, while the whole power of direct or indirect taxation of persons and property, whether by taxes on polls or duties on imports, or duties on internal production, manufacture, or use, was acknowledged to belong exclusively to the States, without any other limitation than that of noninterference with certain treaties made by Congress. (157 U. S., 561.)

The practice of Congress prior to the Constitution was to make requisition on the States and thus impose a *direct tax* on the United States of the Confederation.

On the 12th of July, 1777, a draft of the Articles of the Confederation was submitted to Congress: Article 2 provides as follows:

All charges of war and all other expenses which shall be incurred for the common defense or general welfare, and allowed by the United States assembled, shall be defrayed out of a common treasury, which shall be supplied by the several Colonies in proportion to the number of inhabitants of every age, sex, and quality, except Indians not paying taxes, in each Colony. (1 Ell. Deb., 70-73.)

By the provisions of these articles the Colonies were required to defray the expenses of the Confederated States and Congress was denied the power to levy taxes for its needs directly upon the States, their property, or their inhabitants. (1 Ell. Deb., 81.)

On Friday, the 18th of April, 1783, the Articles of Confederation were amended. (Ibid., 94.)

And thenceforth—

The taxation necessary for federal purposes was to be apportioned in proportion to the whole number of white and other free citizens and inhabitants, including those bound to servitude for a term of years, and three-fifths of all other persons, except Indians not paying taxes.

The words "land, buildings, and improvements thereon" were struck out of the domain of federal taxation at this time prior to adoption of the Constitution. (2 Ell. Deb., 36, 56; 1 Ell. Deb., 484.)

This apportionment of taxation was not limited to direct taxes or to indirect taxes; but all the property and citizens of the several States which each of the States was then taxing was made liable for the proportion of that State, according to its population. (2 Ell. Deb., 36, 56.)

The words—

"land, buildings, and improvements thereon" were rejected by the Confederated Congress as not being a convenient source of revenue for the Federal Government. (1 Ell. Deb., 484.)

This amendment to the Articles of Confederation was sent forth by Congress to the people, accompanied by an address prepared by Messrs. Madison, Ellsworth, and Hamilton.

In this address, speaking of population as the rule of taxation, they said:

This rule, although not free from objection, is liable to fewer than any other that could be devised.

From the time of their adoption by the confederate congress until the decision in the Hylton case, land, building, and improvements thereon were never thereafter regarded as the source of revenue for the Federal Government. It results, therefore, that after "land, buildings, and improvements thereon" were withdrawn as a subject of federal taxation, the requisitions of Congress were met by the States by their own system of taxation. (Ely Taxn., 109; C. A. Seward.)

The various States had their own system of collecting taxes, and did collect such taxes for the benefit of the States themselves and for the benefit of the General Government.

In the Massachusetts convention, Mr. Dawes said:

Congress had it not in their power to draw a revenue from commerce, and therefore multiplied their requisitions on the States, and our only course was to a direct taxation. (2 Ell. Deb., 41.)

A direct taxation of what? A direct taxation of the several States, and not of the citizens of the State.

On the 16th of July, 1787, the following resolution was adopted:

Representation ought to be proportioned according to direct taxation—



Direct taxation of what? Of the citizen? That construction is absurd. Direct taxation of the several States, and nothing but that could have been intended. It is not material (turning to Mr. Crawford) that this explanation has not heretofore been expounded, if the record and the history justify this argument, which they do most abundantly.

And in order to ascertain the alteration in the *direct taxation* which may be required from time to time by changes in the relative circumstances of the States:

*Resolved*, That a census be taken \* \* \* and that the legislature proportion the *direct taxation* accordingly.

Proportion the direct taxation of what? Of the citizen? Impossible. No such interpretation can be put upon this language with regard to the direct taxation referred to, which was to be apportioned among the States severally, represented then by the gentlemen who were then writing the Constitution of the United States.

ONLY THE DIRECT TAXATION OF THE STATE IS BEING HERE CONSIDERED.

There was again a debate over this suggestion, which culminated in the draft of a constitution which apportioned direct taxation according to the number of the representatives. This was remodeled, and on the 12th of September, 1787, a revised draft of the Constitution was introduced, which provided that "*representatives*" and *direct taxes* shall be apportioned on the basis of population and under the rule prescribed by the Articles of Confederation. On this same 12th of September, 1787, the revised draft of the Constitution contained these words: "That no capitation tax shall be laid unless in proportion to the census hereinbefore directed to be taken."

The capitation tax in clause 4 to be laid in proportion to the census, was in like manner, a *gross sum to be laid on the States*, according to population, counting three-fifths of the slaves in making such enumeration of the population. There was nothing curious or unreasonable about this; it was understood that the slaves had not the productive quality or the worth of free men, and that in taxing the States the slave should not be counted above three-fifths of their number for purposes of taxation or for purposes of representation.

This lessened the capitation *tax on the States* having slaves, but it was a *tax* on the States nevertheless and not a tax on the citizen that was being considered.

It is clear that a capitation tax levied direct on the citizen would not and could not be apportioned under the constitutional rule, which was based on a *fixed census* of freemen counting three-fifths of the slaves.

Undoubtedly the Constitutional Convention believed that the Congress should have the power of assessing and levying *direct taxes on the States* and to apportion such taxes according to the rule of population.

Mr. King said:

It is a principle of this Constitution that representation and taxation should go hand in hand. \* \* \* By this rule are *representation and taxation to be apportioned*. (2 Ell. Deb., 36.)

Representation of what? Of the States. Taxation of what? Of the States. Why was there a diminished tax placed upon the population of the slaveholding States, and what was its purpose? It was to apportion it among the several States, and the direct tax and the capitation tax were to be diminished to three-fifths of the number of slaves by the operation of this constitutional rule.

Mr. Dawes said:

The rule laid down in the paragraph is the best that can be obtained for the apportionment of the little *direct taxes* which Congress will want. (Ibid., 42.)

Mr. Pendleton said:

The apportionment of *representation and taxation* by the same scale is just. (3 Ell. Deb., 41.)

Representation of what? Of the States. Taxation of what? Of the States.

Mr. Nicholas said:

The amount of the sums to be raised of the people is the same, whether the state legislatures lay the taxes for themselves or for the General Government. (3 Ell. Deb., 99.)

Did not this mean that the direct tax on the State should be collected by the State?

Mr. Nicholas said:

The proportion of taxes are fixed by the number of inhabitants. Each State will know from its population its proportion of any general tax. (3 Ell. Deb., 243.)

Does not this mean that the *tax levied on the State* by a general tax on the States would be known to the State under the rule?

Mr. Randolph said:

When any sum is necessary for the General Government, every State will immediately know its exact proportion of it from the number of the people and Representatives. (3 Ell. Deb., 122.)

The phrase:

No capitation tax shall be laid unless in proportion to the census hereinbefore directed to be taken—

And this necessarily meant laid on the States by Congress and not on the citizen, because to levy a capitation tax on the citizen under the apportionment rule is unreasonable, while to apportion a capitation tax on the States under the apportionment rule is reasonable—

was amended, on the motion of Mr. Read, to insert after "capitation" the words "or other direct taxes." (5 Ell. Deb., 545.)

Mr. King asked, August 20, 1787 (5 Ell. Deb., 451), what was meant by direct taxation. And he was not answered, but he might well have been answered, as far as clause 4, section 9, was concerned. It is a direct taxation on the United States, to be laid upon them severally in proportion to the rule of population by which the right of representation is fixed.

Mr. Gerry (5 Ell. Deb., 451) moved that—

From the first meeting of the Legislature of the United States, until a census shall be taken, all moneys for supplying the Public Treasury by direct taxation shall be raised from the several States according to the number of Representatives, respectively, in the first branch.

Does not this mean direct taxation on the States as such?

In the Secret Proceedings and Debates of the Convention, Charles Pinkney submitted a draft (S. Doc. 723, 60th Cong., 2d sess., p. 146), and provided that in fixing the power of the Congress, that:

The proportion of *direct taxation* shall be regulated by the whole number of the inhabitants of every description, etc.

And Mr. Patterson, June 15, 1787 (ibid., 150), proposed a resolution, as follows:

3. *Resolved*, That whenever requisitions shall be necessary, instead of the present rule, the United States in Congress be authorized to make such requisitions in proportion to the whole number of white and other free citizens, etc.

That if such requisitions be not complied with in the time to be specified therein, to direct collection thereof in the noncomplying States; and for that purpose to devise and pass acts directing and authorizing the same, etc.

Does not this mean a "direct tax" on the States, and not on the citizen, to be proportioned to population?

Mr. Luther Martin, in his report to the legislature of Maryland, said (ibid., 39) that he did not think the General Government ought to have been given the right to lay "*direct taxes*" in any case, and by this expression he meant "*direct taxes on the citizen*," and that he introduced the following proposition:

And whenever the legislature of the United States shall find it necessary that revenue should be raised by direct taxation, having apportioned the same by the above rule—

Here by "*direct taxation*" he means taxation of the States—*requisitions shall be made of the respective States to pay into the Continental Treasury their respective quotas*, within a time in the said requisition to be specified, and in case of any of the States failing to comply with such requisition then, and then only, to have power to devise and pass acts directing the mode and authorizing the collection of the same [by direct levy on the citizen, is the alternate].

He said:

Had this proposition been acceded to, the dangerous and oppressive power in the General Government of imposing *direct taxes on inhabitants which it now enjoys in all cases*, would have been only vested in it, in case of noncompliance of a State, as a punishment for its delinquency, and would have ceased the moment that the State complied with the requisition.

He uses the words "*direct taxes*" in that one expression in two different ways, objecting to Congress having the right to levy taxes directly on the citizen, which he enlarges upon in his report to the Maryland legislature, but being willing that they might lay *direct taxes on the State*, and that if the States did not contribute the quota of taxes directly levied on them, Congress might in that contingency exercise the right of direct taxes on the citizen; and he bitterly complained in his report to the Maryland legislature that the Constitutional Convention did not regard his views in this matter, but that they gave to Congress a complete right "*in all cases*" to levy *direct taxes upon the citizen*.

These various quotations show clearly that the direct tax intended to be apportioned was understood by the Constitutional Convention of the United States as a direct tax on the States, and on the States alone, as entities, to be apportioned among the several States as entities, to be collected by requisitions, and that clause 4 of section 9 did not mean a direct tax on citizens, which was otherwise provided for in section 8, clause 1, but a direct tax on the United States, to be apportioned and paid on requisitions. And this impression is confirmed, notwithstanding the Hylton decision of 1796, by the act of Congress of July 14, 1798 (1 Stat., 597).

Here Congress declares this meaning in the plainest, most emphatic terms, to wit:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a direct tax of \$2,000,000 shall be, and is hereby, laid—"

On whom?

"upon the United States—"

And not on the citizen—

"and apportioned to the States, respectively, in the manner following:

"State of New Hampshire..... \$77,705.362  
"State of Massachusetts..... 260,435.312"

It is true that Congress immediately proceeded in section 2 (1 Stats., 597) to provide for the collection of such a tax by its own officers, assessing the same on dwelling houses, lands, and slaves, according to valuation otherwise provided for. But this does not make the *direct tax* of clause 4, section 9, any the less a *direct tax on the State*, which tax was duly apportioned as contemplated by the Constitution as a *tax laid on the States directly and not a tax directly on the citizen*. The collection of the tax from the individuals within the States was an exercise of the power of laying taxes under section 8, unequivocally given to Congress, notwithstanding this proviso of clause 4, section 9, that the direct tax on the States should be apportioned, and this interpretation of the two clauses is perfectly consistent, perfectly rational, and makes the several parts of the Constitution harmonious with each other.

Congress in this act exercised both its power of direct taxation on the States (Sec. 9, cl. 4) and its right of direct taxation on the citizen (sec. 8, cl. 1) which was illogical but not unlawful and which was a mathematical misfit, the revenue making a different sum in every case from the mathematical constitutional apportionment.

It is a matter of vast importance to the people of the United States, and it is of great importance to the Senate of the United States, to consider the meaning of the Constitution in the light of the Constitutional Convention and in the light of these acts of Congress.

The act of 1813 in like manner demonstrates that the direct tax referred to in clause 4 of section 9 was intended solely to be a *direct tax upon the United States*; and the law of 1813 says in the most unequivocal language (3 Stat., 53) that the direct tax is laid "*on the United States*," and the conclusion follows that Congress understood such direct tax requiring apportionment to be a direct tax on the States and not on the citizen.

Everything depends upon that construction. If it is only the *direct tax* upon the United States that must be apportioned, then the pleading before the Supreme Court in the Pollock case was absolutely wrong from beginning to end, and upon a fatally weak defense it is no great wonder the court decided against it.

Listen to the language of the act of 1813, Third Statutes, 1853:

"That a direct tax of \$3,000,000 shall be, and is hereby, laid upon the United States—"

Not upon the citizen. The act of Congress followed the meaning of section 9, clause 4, in levying the direct tax referred to directly upon the States, and immediately making the apportionment as contemplated alone by section 9, clause 4. Congress had the right otherwise to levy a direct tax upon the citizen, and has exercised it ever since the foundation of the Government.

What sense was there in forbidding the United States Government from taxing directly the citizen by uniform laws? And what does section 8, clause 1, mean in authorizing Congress "to lay and collect taxes" as well as imposts, duties, and excises if it does not mean what it plainly says?

May the United States directly tax a sovereign State and not be permitted to directly tax the citizen of the United States, whose votes established the United States?

The act of 1813 imposed the direct tax on the United States, and under clause 4, section 9, the tax was apportioned to the States, respectively, in the manner following:

"New Hampshire..... \$96,793.37  
"Massachusetts..... 316,270.98"

and so forth. And the collection of the same was provided by federal officers, but with the express provision, section 7:

That each State may pay its quota into the Treasury of the United States, and thereon shall be entitled to a deduction of 15 per cent if paid before the 10th day of February next, and 10 per cent if paid before the 1st day of May in the same year.

It cost something to collect this tax. It was only reasonable that if a State should pay directly, the cost of collection should be taken out of it.

These acts demonstrate conclusively that the direct tax referred to in clause 4 of section 9 was a direct tax to be laid "*upon the United States*," and not upon citizens, and apportioned according to population, and that it was not a direct tax on individuals in any sense that was referred to in clause 4, section 9.

The act of 1815 is in the same identical language, incapable of misinterpretation, it seems to me.

The attorneys argued in the Hylton case (1796), that the tax on carriages was a direct tax not apportioned, and hence invalid. The attorneys defending said it was an *indirect tax* on the use, and so forth.

The error was in conceding that a direct tax on carriages or on the citizen could not be laid without apportionment under clause 4, section 9. This was nonsense. The direct tax requiring apportionment was a direct tax on the United States following the previous plan of the Confederation of direct requisitions on the States proportioned to population.

It is perfectly obvious that you could not apportion a direct tax upon individuals according to the constitutional rule of population, but you could apportion a tax on the United States severally according to such rule.

Observe the confusion which would follow the attempt to apportion a direct tax upon the citizen according to the constitutional rule:

First, you must levy the tax directly on the citizen, upon his real estate, and so forth, at so much ad valorem; what the gross amount would be for each State could not be known until it should have been collected, and after it was collected, then, when an attempt is made to apportion it—the gross amount—under the constitutional rule, it would be found that the gross amount collected would be too much in some cases, and too small in other cases, and thereupon a rebate would have to be allowed to the individuals who paid too much and a further tax imposed on the individuals who paid too little.

The administration of such a plan is impossible. The mere suggestion of *apportioning a direct tax on the citizen* is grotesque, and can not be seriously maintained.

In my judgment Congress itself erred in collecting the *direct tax imposed on the States* within the meaning of this particular clause of the Constitution, although it had the right, under section 8, to lay taxes direct on the citizen, but it would have been more orderly in laying the tax *directly on the States* to have permitted the State to respond by requisition before enforcing payment under the direct tax authorized by section 8, as it did provide in the act of 1813, for example.

In my judgment it is utterly immaterial whether the income tax be regarded as a direct or indirect tax because Congress has the complete right "to lay and collect taxes" (sec. 8) on the individual, direct or indirect, and is not restrained by clause 4, section 9, which only imposes the apportionment rule on Congress in laying direct taxes on the States.

The defense of the income tax on the ground that it is indirect has been the *fatal error of its advocates* from the beginning of the controversy.

Since the entire controversy has turned on the meaning of the phrase "direct tax," as used in clause 4 of section 9, I have felt impelled to submit to the Senate my interpretation of the Constitution and the meaning of this phrase in the light of its history.

This interpretation, which I have the honor to submit, would relieve the Constitution of ambiguity, make sections 8 and 9 of Article I perfectly harmonious, and would make the income tax constitutional beyond a doubt and justifies the resubmission of this question to the Supreme Court of the United States for whose perfect integrity, for whose great ability and vast learning, I entertain the deepest respect and reverence.

Mr. BRISTOW. Mr. President, I should like to make an inquiry, but first, before I ask the question, I wish to make a statement as to the status of these amendments to the pending bill as I understand it. If the Senate committee amendment to paragraph 179 is adopted, it puts a duty of 1½ cents a pound on the lead in lead ore. Then it would be necessary to amend paragraph 180 in order to fix the same duty of 1½ cents a pound on pig lead. If the Senate committee amendment to paragraph 179 is rejected and the Senate committee amendment to paragraph 180 is rejected, then the duty is the same on the lead in lead ore as it is on pig lead and bullion.

Mr. ALDRICH. If the amendment to paragraph 180 should be rejected, it would leave the matter open for further consideration. That would not make the duty 1½ cents a pound on pig lead. It would be necessary, then, if the Senate desired to have a duty of 1½ cents on pig lead, to provide it by a new paragraph. But it is a simple matter for the Senator from Kansas or any other Senator when paragraph 180 is under consideration to move to amend the Senate committee amendment, which provides for 2½ cents, making it 1½ cents.

Mr. STONE. Will the Senator permit me? Would not the same end be accomplished by voting down the Senate committee amendment to paragraph 179 and the amendment to paragraph 180?



Mr. ALDRICH. Of course if the Senate thinks that there ought to be the same rate of duty on lead ore and pig lead, I take it for granted it will vote against the committee amendment to paragraph 179. I take it for granted that all those who think there should be no difference at all between the finished product and the raw material will vote against the amendment to paragraph 179. I assume that to be so.

Mr. BRISTOW. And also against the amendment to paragraph 180, would they not?

Mr. ALDRICH. That would not be necessary. If they vote down the amendment to paragraph 179, paragraph 180 would be of no use; it would drop out. I would withdraw the amendment to paragraph 180, of course, if the amendment to paragraph 179 should be voted down.

Mr. BRISTOW. That is what I wanted to get clearly before the Senate.

Now, I should like to inquire why a difference of five-eighths of a cent per pound is put on pig lead and the scrap lead, as I will call it?

Mr. ALDRICH. I should be very glad if the Senator would postpone the discussion of that until after we have decided this question. It seems to me that that is a question which ought to come up upon paragraph 180.

Mr. BRISTOW. But, Mr. President, we can not separate these questions, because if we vote down the amendment to paragraph 179, then we fix the duty the same on both these products.

Mr. ALDRICH. I do not know whether the Senator from Kansas listened to the very clear statement of the Senator from Idaho [Mr. HEYBURN] upon that subject yesterday. I have never heard a clearer statement made in this body than that Senator made upon that very question. If the Senator would read the RECORD this morning, I am sure he would find it satisfactorily explained to him.

Mr. BRISTOW. Mr. President, I desire to say that I heard every word the Senator from Idaho said yesterday, and I read in the RECORD this morning every word that he said. Still I do not know why it is necessary to put five-eighths of a cent a pound additional on pig lead above that on the lead in lead ore. I should like to know the reason why that was done.

Mr. HEYBURN. Mr. President, I do not know that I can make it clearer, but perhaps the demonstration by the figures that would result from it may be of some assistance. The difference of duty, perhaps, is \$12.50 a ton on the bullion. All these other designations may be included in bullion, because that is what it amounts to; it is bullion; in other words, it is lead as distinguished from the lead contents in the ores. Twelve dollars and fifty cents a ton only meagerly represents the cost of converting lead in ore to lead in bullion. It is merely a question of wages and the cost of taking the lead out of the ore and making it bullion. The difference of the duty proposed is \$12.50 a ton. That is wages and the investment necessary in machinery to convert the lead in ore to lead in bullion; that is all.

Mr. NELSON. Will the Senator from Idaho yield to me for a question?

Mr. HEYBURN. I am speaking in the time of the Senator from Kansas.

The PRESIDING OFFICER (Mr. CURTIS in the chair). Does the Senator from Kansas yield to the Senator from Minnesota?

Mr. BRISTOW. Certainly.

Mr. NELSON. I wish to ask a question for information. As I understand it, most of this lead ore comes mixed with other ore, gold or silver or copper.

Mr. HEYBURN. No; not most of it.

Mr. NELSON. Well, a good share of it. But that ore is reduced into bullion or base bullion, is it not?

Mr. HEYBURN. The term "bullion" covers it.

Mr. NELSON. Yes; bullion. You get a rate of 1½ cents a pound on that. Then by the next process you separate your bullion, you separate the lead from the silver or the other parts, and you get a rate of 2½ cents more. So for the whole process, from the time you take the ore out of the ground until you have separated the lead from the other metals, you get 1½ cents plus 2½ cents.

Mr. ALDRICH. Oh, no.

Mr. NELSON. The aggregate duty?

Mr. HEYBURN. I think the Senator is mistaken in his conclusion.

Mr. WARNER. Mr. President, we get no silver out of the lead ore.

Mr. ALDRICH. This is not an accumulating duty.

Mr. HEYBURN. Not at all.

Mr. BRISTOW. I should like to inquire what it costs a ton to refine lead ore?

Mr. HEYBURN. It is not termed longer "lead ore." It is an extraction of lead from the ore.

I can, perhaps, make it plainer to the Senator from Kansas. The lead contents of ore may represent 8 per cent, or it may represent more or less. Now, in the larger fields of production, or rather I will say, out of regard to the State of Missouri, in the field of production outside of the State of Missouri, it is necessary, first, to concentrate that ore and extract what you would call the "native rock," in which it is contained, to as large an extent as possible. You take 8 or 10 tons of the ore as it is mined, and by a process of concentration you eliminate from it the silica, the slate, and the granite, or whatever it may be contained in, until you have the concentrated product. That still is not bullion. Your expense in doing that, at a reasonable estimate, involves an investment of probably \$150,000,000 in concentrating mills in the United States and a labor account of about 25,000 men in the United States, at a wage of about \$4 a day. After the expense of mining the ore has been disposed of, that account stands between the ore and the bullion. It does not become bullion until it is smelted. It goes through two processes—concentration for the elimination of the great mass of waste, and then smelting in order to extract the lead from the concentrated product.

That represents close to \$40,000,000 in wages and the incidents of labor in addition to the investment in the works necessary to perform that extraction. That is added to the cost of the finished product in comparison with the cost of the lead in the ore. It represents that value.

Now, if you are going to allow lead ore to be mined abroad and shipped in as ore, and then put no additional duty on the bullion, they will extract lead from the ore abroad and ship it into this country as bullion at this lower rate of duty, and, consequently, they will diminish our mining to the extent that they substitute it for theirs. The wages of this vast expenditure that represents the conversion of the lead in ore to lead in bullion and the cost would be paid abroad. It will not be paid in this country. The machinery for doing it will be constructed abroad, not in this country.

I would suggest to the Senator that the machinery and the appliances necessary to perform that extraction can be made abroad for one-third of the cost in this country. In other words, great concentrating works and smelters can be built in Germany or in Mexico for a third of the amount at which they can be built in this country. We therefore lose the wages represented by the construction of these works to the laborers of this country and give it to those abroad.

That is one of the very largest items that enters into this proposition. We want the wages for mining the ore paid to American miners. We want the wages and the expenditures incident to the extraction of the lead from the ore paid to the laborers of this country. In our State we purchase something like \$2,000,000 worth of machinery in our country for the purpose of converting lead ore into lead bullion or into concentrates.

That machinery and those works are produced by American labor out of American material. Would you substitute the foreign labor and the foreign material for that? I think not, when the Senator comes to think of it. The whole principle of protection is that we may draw the benefits of labor and investment to ourselves, so that the money may stay in this country and be distributed according to the enterprise.

Mr. ALDRICH. Perhaps I can add a word that may enlighten the Senator from Kansas, although I am not an expert in lead producing. The average value of lead in the ore that is imported is 2 cents a pound. The average value of pig lead that is imported is 4 cents a pound, showing a difference in the cost of production of 2 cents a pound from the lead ore to the finished product or to the lead in the bullion or in bar or pig lead. I am using these figures as an average to show the approximate difference between the two.

Now, the difference in the tariff between the two is the difference between 1½ cents and 2½ cents, or five-eighths of 1 cent a pound, which is about 30 per cent on the cost of taking the lead ore and putting it into lead bullion abroad. I believe that if the facts should be submitted to the Senate they would show that that does not equal the cost between abroad and this country of changing lead ore into lead bullion.

Mr. BRISTOW. As I understand from the remarks of the Senator from Idaho, it costs about \$12.50 a ton to take the lead out of the lead ore and make pig or bullion of it.

Mr. HEYBURN. It costs fully that.

Mr. BRISTOW. Now, this five-eighths of a cent per pound is for the purpose of making up the difference in the cost in this country and abroad, as I understand it.

Mr. HEYBURN. That is \$12.50. That is what it amounts to—\$12.50 a ton.

Mr. BRISTOW. A ton?

Mr. HEYBURN. Yes.

Mr. BRISTOW. What does it cost abroad to reduce this ore to bullion?

Mr. HEYBURN. It costs a difference of more than \$12.50 a ton.

Mr. BRISTOW. Has the Senator or has any member of the Committee on Finance any statistics showing what the cost of the labor is abroad and here, and of the different classes?

Mr. HEYBURN. Those of us who are familiar with the lead product and the producing of lead have the statistics of experience. I do not like to refer to myself, but I have been for thirty years connected with lead production in the United States, and I have means of knowing something about it. Statistics are as a rule reliable, but oftentimes we find that the balance sheet of the mine is a better criterion than the statistics, although I am not out of accord with the statistics.

Mr. BRISTOW. But the Senator must admit that the balance sheet of the mine might be affected by many other causes than the cost of labor employed.

Mr. HEYBURN. The great item is labor. It runs about this way in producing, say, 100,000 tons of lead: The wage account will be practically \$5,000,000—I am using round figures, and they are accurate; the freight and treatment will be about \$4,500,000; the investment necessary to this production will be about seven or eight million dollars. Now, I think I have covered the mining—that is, the wages. I have covered the investment and the machinery. The freight and treatment are about \$4,500,000 upon that product. The Senator can take that as a basis in estimating the business of producing lead bullion.

Now, in between that is the concentrating process, which would, for producing 100,000 tons of lead, represent about two and a quarter million dollars. Then the wages incident to the concentrating of the ore may be based upon a statement that 7,500 men are employed at an average wage of \$4 a day. There is a basis of the business from which conclusions may be drawn.

Mr. BRISTOW. Mr. President, I have been informed by an authority, that to me is very satisfactory, that you can smelt lead in the United States as cheaply as it can be smelted in any country on the face of the earth.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Idaho?

Mr. BRISTOW. Certainly.

Mr. BORAH. Of course I am not informed as to the source of the authority of the Senator from Kansas, but I do not believe there is any foundation in fact for that conclusion. I have been listening for the last day or two to the colloquies and the figures upon this proposition; but there is one thing that is certain, that the practical facts with reference to the production of lead from the time it is found in the mine until the time it is finally usable by the consumer are all against those conclusions.

We have been in close touch with the situation and know something of the effect of tampering with the lead schedule, so far as the employment of labor and the production of lead in this country are concerned; and, unless the man who has given the Senator from Kansas the information which he has has been in touch with that situation, unless he knows its practical working and knows the effect of the reduction of duty upon the production of lead, I should be inclined to doubt the information.

You can take figures and prove almost anything; but we know, for we have tried it. We have seen our mines closed; we have seen men who are laborers, law-abiding citizens, made tramps and put upon the highways for years at a time by reason of tampering with this schedule.

Now, if you are going to protect the product of the mine as it comes from the mine, or the bullion, it must necessarily follow that you must protect the final product of that product, otherwise they will not purchase the bullion nor purchase the ore from us. If the Mexican producer, the Canadian producer, and the Spanish producer can put the finished product in here without protection, he will certainly not buy that ore or the bullion from the mines of the West, and neither will our own people do so. So, if we concede, Mr. President—

Mr. BRISTOW rose.

Mr. BORAH. Just a moment. So, if we concede that it is necessary to protect the ore, that it is necessary to protect the bullion, the other follows as a logical sequence from that proposition.

Mr. BRISTOW. Mr. President, I regret very much that I can not agree with the Senator from Idaho. This bill as it came from the other House provides for a duty of 1½ cents a pound

on lead ore or the lead in lead ore. That is supposed to protect the American producer of lead. It was said here yesterday that because of that 1½ cents a pound duty there had been lead mines opened in Utah and in other States of this Union that could not be profitably worked unless such a duty was maintained; and that if the duty on lead ore were taken off or reduced, a number of those mines would be closed; that is, that this duty has enabled men to mine lead where otherwise it would not pay to mine it. We are therefore taxing the American people in order to enable these mines to be worked.

Mr. President, those of us who are contending against the Senate amendment are not contending for a reduction of the duty on lead ore. We are willing—

Mr. BORAH. Mr. President—

Mr. BRISTOW. Just a moment. We are willing to leave the duty where the House left it, believing it ample protection to the men who have been induced by our protective system to go into these mines and mine this lead. We do that, not because we believe that it is justifiable to put a cent and a half duty on any of the great natural products that we have that may be susceptible to exhaustion, but we do that because a condition confronts us which the Senator yesterday convinced me would result in closing mines if the duty were reduced to where, in justice and equity to the American people, it ought to be.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Idaho?

Mr. BRISTOW. Certainly.

Mr. BORAH. I ask the Senator from Kansas what benefit it would be to the western miner or to the producers of the West if we have protection upon a raw product and other people are still permitted to bring in the finished product from other countries?

Mr. BRISTOW. Mr. President, the finished product will pay the same duty—1½ cents a pound. That duty will be imposed on lead, whether it is in ore, in pig, or in bullion.

Mr. BORAH. What protection, then, would there be in that process to the labor that transforms the original product into the finished product in this country? It would necessarily transfer the labor to other countries and cause that finished product to be made in other countries.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Utah?

Mr. BRISTOW. Certainly.

Mr. SMOOT. The Senator from Kansas, when he answers the question of the Senator from Idaho [Mr. BORAH], may answer this also: How would we provide for the bullion which is lost in the reduction of ores? Take the ore itself; and the pig lead that you get is only about 85 per cent; and if it were reduced in a foreign country it would come in here as bullion. Of course, no ore would come in, but bullion would come in; and it would be the same thing as closing down everything in this country.

Mr. BRISTOW. Does the ore lose any more in dross in this country than it does in any other? Is not there the same loss incurred whether the ore is smelted in Germany or in America? Do you expect to charge the loss by dross and have the American people make up that loss by tariff charges, when the same loss would occur whether the ore were smelted in Mexico or any other place?

Mr. SMOOT. If the lead ores were of the same value as bullion, then it would make no difference; but the Senator must know that there is a difference between the value of ore and the value of bullion.

Mr. BRISTOW. I know that.

Mr. SMOOT. Then, it would make a difference.

Mr. BRISTOW. But in the reduction abroad of the ore to bullion it goes through exactly the same process that it goes through here.

Mr. SMOOT. Certainly; and the labor cost is not one-third of what it is in this country.

Mr. BRISTOW. Mr. President, if there is anybody on the Finance Committee who can show what the labor cost per unit is in Germany, in Mexico, and in America, I should like to know it.

Mr. HEYBURN. With the Senator's permission, I know the difference, and can state it.

Mr. ALDRICH. The Senator from Idaho knows the difference, but the value of the imported product shows it very plainly. It is 2 cents a pound abroad, and it is more than 3 cents a pound, in my judgment, here.

Mr. BRISTOW. Mr. President, the value of the product after it is reduced as compared with its value in the ore shows the



cost of the reduction, but it does not show the difference between the cost of reduction in this country and some other country.

Mr. ALDRICH. Does the Senator from Kansas believe that the reduction process, or the transmuting process from ore to the bullion, can be done as cheaply in Kansas as it can be done in Germany or in Mexico?

Mr. BRISTOW. I have been informed that lead ore can be reduced as cheaply in this country because of our efficiency in smelting and because of the facilities that have been acquired here by the smelting industries—

Mr. HEYBURN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Idaho?

Mr. BRISTOW. When I get through this sentence I shall be very glad to do so.

Mr. HEYBURN. I shall wait until the Senator finishes his sentence.

Mr. BRISTOW. That because of the efficiency that has been attained in this country by reason of the improved facilities there is no more reason for a duty to-day on pig lead than there is on steel, and as was so clearly demonstrated by the Senator from Iowa [Mr. CUMMINS] yesterday, that such duty was not necessary.

This efficiency has been attained by the gigantic smelting interests in our country, resulting in greatly reducing the cost, the same as has been done in the manufacture of steel, and no other country on the face of the earth can equal us in the efficiency of this class of labor and the cheapness of the reduction of this metal. Now I will yield to the Senator from Idaho.

Mr. HEYBURN. Mr. President, I would suggest practical experience against theory in regard to that matter as a better criterion. Lead ore can be mined in Mexico for one-third of what it costs to mine it at any point in the United States. The machinery for the purpose of converting it from ore to bullion can be constructed for one-third of what it can be constructed for in the United States. The wages paid in the stage of transformation of ore in the ground to bullion on the floor is three times as much in this country as it is in Mexico or in Germany. It costs here a third more in wages either to mine or to mill or to smelt. In Germany they take the ore from foreign countries; they ship it from Australia to Germany; they convert it into bullion there; and they will send it to this country either as lead bullion or as white lead or as some other manufactured product of that bullion. They have at all times 33½ cents the best over us after paying the expenses of bringing it from Australia to the Rhine, and from there to the seaboard of the United States. Those are the figures. They are not theories.

Mr. NELSON. Will the Senator from Kansas yield to me?

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Minnesota?

Mr. BRISTOW. Certainly.

Mr. NELSON. I want to read from the tariff hearings for the purpose of showing that in Utah the miners practically get as much of the precious metals from a ton of lead ore as they do of lead.

Mr. KEAN. That is in Utah.

Mr. NELSON. In Utah; and the amount of the precious metals, of gold and silver, they get out of a ton of lead ore more than compensates for the extra cost of labor. Let me read from the Tariff Hearings, Schedule C, page 2323, the statement of Mr. C. E. Allen, of Salt Lake City:

In the year 1906, upon which I have based my figures, because those are more complete, we produced 125,342,836 pounds of lead, or 164 pounds of lead per ton of ore; and this contained 68,340 ounces of gold, or 0.089 ounce of gold per ton. This lead also carried with it 9,406,758 ounces of silver, or 12.27 ounces of silver per ton. That is, 82 per cent of the silver produced in Utah came from lead ores. Between 26 and 27 per cent of the gold produced in the State came from the same source. The average value of the metals produced in lead ores in that year from this State was as follows: Lead, 5.7 cents per pound; gold, \$20.67 per ounce; silver, 67 cents per ounce.

The value of—

I call the attention of Senators to this statement—

The value of the contents per ton—

That is, of the ore—

The value of the contents per ton was: Lead, \$9.32; gold, \$1.84; and silver, \$8.22, making a total value of each ton of lead ore produced of \$19.38.

Showing that they get nearly as much gold and silver in value out of a ton of ore as they do from the whole amount of lead. In that respect those ores are unlike the foreign ores, and, practically, they get more than enough out of that to cover the labor cost.

Mr. ALDRICH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Rhode Island?

Mr. BRISTOW. I yield to the Senator.

Mr. ALDRICH. If the Senator from Minnesota were at all familiar with this subject, he would know that there is more gold and more silver in Mexican ore than there is in the ores we produce in this country.

Mr. SMOOT. That is exactly the statement that I wanted to make in relation to the comparison between the ores of Mexico and the ores of Utah. The ores of Mexico are always richer in silver than the ores of Utah or of any other State in this Union.

Mr. GALLINGER. Or of any country in the world.

Mr. BRISTOW. There has been a great deal said here during the debate on the tariff schedules in regard to the wages here and abroad, but it has been opinion or general assertion; there has not been a single schedule brought before this body in reference to which there has been any reliable statistical information presented by the Committee on Finance as to the cost of wages abroad and here. But the senior Senator from Iowa [Mr. DOLLIVER], in that remarkable speech he delivered the other day, in my humble judgment one of the greatest that was ever delivered in this Chamber, conclusively demonstrated that there was a duty of 1 cent a yard put on for the mercerization of cotton cloth, although by submitting bills of lading he showed that it cost, all told, but five-eighths of a cent a yard to take it through that process. Yet, under the pretense that you were providing for the difference in the wages paid abroad and here, you have put on a duty almost double the entire cost of mercerization in this country.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Utah?

Mr. BRISTOW. Yes.

Mr. SMOOT. I desire to say to the Senator in connection with the statement as to the cost of mercerization being five-eighths of a cent, that he must remember that here were letters read by the Senator from Iowa showing that it cost more than that in some places. He did not, however, take into consideration the question of boxing the goods, the freight to the place where they are mercerized, the reboxing of the goods and shipping them back to the manufacturer who sent the goods to be mercerized.

Mr. BRISTOW. The Senator thinks that the freight and boxing would amount to three or four tenths of a cent a pound, does he?

Mr. ALDRICH. I trust the Senator from Kansas is more familiar with the lead-producing interests of this country than he is with the cost of mercerization. I will demonstrate to the Senate that the cost of preparation for mercerization and the cost of mercerizing in this country is over a cent a pound more than it is in any other country of the world. But that is not the question here now. The question here now is whether we shall put a duty of a cent and a half a pound on lead ore.

I understand that the Senator from Kansas is willing to put a cent and a half a pound duty, which is equivalent to 95 per cent, upon lead ore, but that he is not willing to put an additional fraction of a cent upon the pig lead. Does the Senator from Kansas suppose that any man in his senses would pay a cent and a half a pound duty on lead ore, or the lead contained in lead ore, when he could introduce into this country pig lead, which is worth twice as much, at the same rate of duty?

Mr. BRISTOW. Mr. President, that would depend entirely—

Mr. NELSON. Will the Senator yield to me for a moment?

Mr. BRISTOW. Just as soon as I can answer the question of the Senator from Rhode Island. It would depend wholly upon what the purchaser in this country wanted to do with the lead. If he wanted to smelt lead ore, he would buy the lead ore for the purpose of smelting it and changing it into bullion for the profit there was in it.

Mr. ALDRICH. Why should he want to smelt it if he could introduce the finished product for the same rate as the raw material?

Mr. BRISTOW. Because the smelting of the raw material is worth more in this country than the raw material, and the smelter wants the profit between the price of the raw material before it is smelted and of the finished product after he has smelted it. He wants that profit himself, instead of letting the man abroad have it. So he buys the ore and brings it here for smelting, and sells it to the American people after it is smelted. He would do that because it is a profitable business.

Mr. ALDRICH. It certainly would not be worth any more in this country if the rate of duty were the same upon lead ore and upon the finished product.

Mr. BRISTOW. It would be worth just as much more as the cost of smelting in the foreign country—

Mr. NELSON. Mr. President—

The VICE-PRESIDENT. Does the Senator from Kansas yield to the Senator from Minnesota?

Mr. BRISTOW. Certainly.

Mr. NELSON. Mr. President, fortunately we are not obliged to take the figures as to the profits advanced by the senior Senator from Idaho [Mr. HEYBURN]. The same witness from whose testimony I read a moment ago—Mr. Allen, of Utah—gives us the exact figures. He says on page 2323, Hearings on Schedule C:

The total cost, then, to the miner was \$15.93, and he received \$19.38 per ton, which would leave an apparent profit of \$3.45 per ton. From this should be taken at least 10 per cent for writing off the property.

If you take those figures, you will see that the miner makes over 20 per cent profit on a ton of ore. This is from the sworn hearings, and is not a visionary picture of conditions abroad and here.

Mr. BRISTOW. Mr. President, from Census Bulletin No. 86, page 9, it appears that there were, in 1905, 7,573 men engaged in the smelting of lead. It appears also on the same page that that was a less number than were engaged five years previous to that, in 1900. It appears on the same page that the total wages paid to these men was \$5,374,691, an increase in five years of 5.6 per cent in the amount of money paid, although there were fewer men employed, showing that better wages were paid them. On page 8 it appears that there were smelted in 1905, in round numbers, 613,000,000 pounds of lead.

In 1900, five years previous, there were smelted 497,000,000 pounds of lead, an increase in the amount of lead smelted of 23.3 per cent; that is, an increase in the production of the smelters of 23.3 per cent, while there was an increase in wages of only 5.6 per cent; which goes to demonstrate the statement which this friend of mine makes to me that, by virtue of the modern improvements in this country and our mechanical devices, we are reducing the cost of smelting lead every year.

Senators, I do not believe, with due respect to the members of the Finance Committee and the Senator from Idaho, that a duty is needed on pig lead in order to protect the wages of American workmen; but I believe that this five-eighths of a cent should be taken off to protect the consumers of that product in this country of ours from extortionate charges.

Mr. SUTHERLAND. Mr. President—

The VICE-PRESIDENT. Does the Senator from Kansas yield to the Senator from Utah?

Mr. BRISTOW. Certainly.

Mr. SUTHERLAND. The Senator from Kansas speaks of the better facilities which we have in this country for the smelting of lead. Does the Senator not know that the smelters of Mexico are precisely of the same type that we have in this country; that they are managed in the main by American owners, American smelter men, who are just as capable of managing a smelter in Mexico as they are in the United States; and that the difference between the cost of producing in this country and in Mexico is the difference in wages? The methods are just as good in Mexico as they are here, and the labor is cheaper.

Mr. BRISTOW. Mr. President—

Mr. SUTHERLAND. Now, let me ask the Senator—

Mr. BRISTOW. Wait until I answer your question, and I shall then be very glad to hear another question. I do know, from information that comes through the public press and otherwise, in a general way, that American machinery goes to Mexico, and that the smelter in Mexico pays more for the machinery that goes in his smelter than does the American—

Mr. SUTHERLAND. Where does the Senator get that information?

Mr. BRISTOW. Because the foreigner buys his smelter machinery from this country, and pays the transportation charges from here to Mexico, and it costs him more unless your duty on that machinery is holding up the price to the American people and making them pay more than has to be paid in a country across the line for identically the same thing.

Mr. President, I will admit that there are Americans employed by the smelters of Mexico and in the mines also; but they are paid just as much or more in Mexico than they can get here. If they were not, they would not go there to work; they would prefer to stay at home. Furthermore, the Senator knows, if he has read the hearings before the House committee, that the Mexican labor that is employed there is cheap because it is inefficient, and that cheap Mexican labor comes across the line, and is employed in the mines of this country as well. Now, I shall be very glad to hear the Senator's other question.

Mr. SUTHERLAND. I will say to the Senator that in the State of Utah—and I am pretty familiar with the various mining districts of that State—I do not believe that there are 10

Mexicans employed in all the mines of that State. They do not come there. The miners employed in Utah are Americans, as a usual thing, or miners who have come from Wales or from other European countries. They do not come from Mexico.

Mr. BRISTOW. Why do you employ Americans instead of Mexicans?

Mr. SUTHERLAND. I doubt very much whether there is a single Mexican in the State to employ.

Mr. BRISTOW. That can not be said of Arizona, New Mexico, and some States. Why is it that Americans are employed in the smelters in preference to Mexicans, although there are a great many Mexicans in that part of the country?

Mr. SUTHERLAND. Where does the Senator mean—in Mexico or in this country?

Mr. BRISTOW. In this country, along the border.

Mr. SUTHERLAND. The Senator asked why Americans are employed in preference?

Mr. BRISTOW. Yes.

Mr. SUTHERLAND. One reason is because there are no Mexicans in that country. Mexicans do not come into Utah.

Mr. BRISTOW. Perhaps not in the immediate community of which the Senator speaks, but they are in other States and Territories in great numbers.

Mr. SUTHERLAND. I am not undertaking to speak about any other State; I am speaking of Utah. I know what the conditions are there, and I know that there are no Mexicans employed in the mines of that State. I doubt whether there are any in Idaho.

Mr. BORAH. Mr. President—

The VICE-PRESIDENT. Does the Senator from Kansas yield to the Senator from Idaho?

Mr. BRISTOW. Certainly.

Mr. SUTHERLAND. I hope the Senator from Idaho will permit me to conclude. I want to put a question to the Senator from Kansas. Does the Senator from Kansas believe there should be any differential at all upon lead in paints?

Mr. BRISTOW. No; not a bit.

Mr. SUTHERLAND. The Senator thinks the duty on pig lead should be the same as on lead in the ore?

Mr. BRISTOW. I am glad to say that I agree with the House committee exactly in regard to that proposition, and I think the committee was very wise in refusing to put a differential on pig lead over and above a cent and a half a pound on the lead in the ore, which is ample protection against the lead that is imported into this country in whatever form it may come.

Mr. SUTHERLAND. Does not the Senator from Kansas see that if there is the same duty upon pig lead that there is upon the lead in ore, the lead will come into this country in the shape of pig lead, because the pig lead can be shipped at a less freight rate than the lead in the ore? There may be in a ton of ore only 25 per cent of lead or 50 per cent of lead, and if you put it at 50 per cent, in a ton of ore there will be only a thousand pounds of lead. The importer would be obliged to pay his freight upon the ton of ore, while if he ships it in the shape of lead bullion he would pay his freight upon a ton of lead, which would be 100 per cent instead of 50 per cent in the other case.

Mr. BRISTOW. I beg to inquire of the Senator if he maintains that the freight on lead ore is the same as the freight on bullion and pig lead per ton per mile?

Mr. SUTHERLAND. I do not know that it is precisely the same.

Mr. BRISTOW. Does not the Senator know that when it is reduced to pig lead the rate is very much advanced, as it is on every other kind of metal?

Mr. SUTHERLAND. I do not think that necessarily follows at all.

Mr. BRISTOW. It does as a matter of fact, does it not?

Mr. SUTHERLAND. The Senator seems to think so. I do not. What is the Senator's information about it?

Mr. BRISTOW. My information is that the freight on ore is very much cheaper; and if you will examine the tariff sheets of the railroad companies in the West, you will find that my information is correct.

Mr. SUTHERLAND. What is the difference?

Mr. BRISTOW. I can not give the exact figures because I have not them at hand.

Mr. SUTHERLAND. It would occur to me that a railroad company could afford to haul a ton of lead cheaper than a ton of lead ore, because a ton of lead is not so bulky as a ton of lead ore and does not require the same space in the car.

Mr. BRISTOW. In this the Senator is very much mistaken. Mr. President, I do not know that I have anything further to say except to make the declaration that I believe it is our duty



as Senators representing the people of this country to vote against any increase in the duty on pig lead and to have the same duty on one as the other. I concur in the cent and a half a pound on lead ore, fixed by the House, because of the condition that confronts us and for no other reason, as I have explained heretofore. I do not think that it ever ought to have been imposed.

Mr. BEVERIDGE. Let us have a vote, Mr. President.

Mr. BACON. Mr. President, I desire to say a few words somewhat of a general character, without going into the intricacies of the scientific features in the discussion of this particular lead duty. I have no greater interest in the reduction of this particular schedule, or the duty imposed on this particular item in this schedule, than I have in any general question of the reduction of duties upon articles of general, common use in the country. I believe it was the necessity for such reduction which created the public sentiment that demanded that Congress should again deal with the question of what should be the rates of duty prescribed in the tariff law. So far as concerns articles not of general use and consumption, which do not enter into the everyday needs of the people, it is not so important; and even if the duties on such articles are, in the existing law, onerous, there would not be such a demand for the reduction as there is in the case of other articles. But there is properly, naturally, a demand throughout the country by people of all political parties and of all sections that there shall be a reduction in the tariff duties in such way that there may be a reduction in the cost of ordinary, comfortable living.

I speak in regard to this particular item only from the fact that the article of paint is one of the most universal use, one which enters into the every-day life of all the people of all the country, one which is of the utmost importance to them from both a utilitarian and an esthetic point of view.

I think the entire duty upon the lead product, both the ore and the more finished article, is entirely too high. Paint is very costly, as anyone knows who has any necessity to use it, and therefore I would be glad to see not only the duty kept down so far as it might be affected by rejecting the Senate amendments to the two items—because I speak of them together; paragraphs 179 and 180—but I would be glad to see it still further reduced by having a less duty upon the ore and a corresponding less duty upon the finished article. Upon the ore there is now a duty of nearly 80 per cent and upon the finished article of nearly 50 per cent.

Mr. President, whenever there is a discussion here as to whether or not a rate of duty should or should not be maintained, it seems to be a sufficient reply, in the opinion of a good many Senators, that it is the Dingley rate; as if it should be satisfactory that no advance is made upon the Dingley rate. Frequently when matters are being discussed and a Senator asks whether a given rate is the Dingley rate, and there is a response in the affirmative from Senators in charge of the bill, it seems to end the matter, and that that fact is alone necessary to make that rate satisfactory.

Now, as very clearly and forcibly pointed out to-day by the junior Senator from Minnesota [Mr. CLAPP] there can be nothing more illogical than such an attitude. To put the mildest term upon it, it is certainly a most preposterous proposition that Congress should be called into session and kept in session simply to reiterate and reaffirm the law now found upon the statute books, or to enact another law substantially the same as the present law in the grievous burdens which it imposes on the American people.

But, Mr. President, aside from that general proposition, I wish to read something which I read to the Senate a year ago in the hearing of the chairman of the committee, the Senator from Rhode Island [Mr. ALDRICH], and to which his attention was then particularly attracted, because he made an inquiry of me when I read it. I think his particular inquiry then made was from what Democratic stump speech I was reading. I wish to read it again, in order that Senators may have the advantage of the estimate which was then put upon the inequalities and the injustices of the Dingley law, the present tariff law, not in a Democratic stump speech, but by a Republican holding high office among those interested in some of the principal manufacturing industries in the country.

Mr. ALDRICH. Who is the gentleman?

Mr. BACON. I am going to give the Senator the name. He asked the same question before, and the Senator shall have the same information now that I gave him then.

I will state that about a year ago, or more than a year ago, in February of last year, when the learned and distinguished Senator from Indiana [Mr. BEVERIDGE] was to make his much-heralded speech on the subject of a tariff commission, there assembled in the city of Washington a large number of promi-

nent manufacturers of the country, men who were not only engaged in the business of manufacturing, but men who hold high official position in the organization of the parties thus interested in manufacturing. They had a convention here, and while here they gave out public utterances of various kinds and in various ways. On the 3d day of February of last year, while that convention was in session, there appeared in the Washington Herald a series of interviews with those officials. One of them was Mr. Van Cleave, with whom I am sure the Senator from Rhode Island is well acquainted. Another was Mr. H. E. Miles, who designated himself as the chairman of the tariff committee of the Manufacturers' Association and president of the National Association of Agricultural Implement and Vehicle Manufacturers.

In that interview, which was published in the Washington Herald and which I read to the Senate on the 13th of March, in the hearing of the Senator from Rhode Island, as well as other Senators, Mr. Miles, who in the course of his interview avowed himself to be a Republican, used this language:

The annual output of the manufacturers of the United States, as shown in the last census, is valued at \$14,800,000,000. The tariff which covers the prices—

I hope Senators will listen to this language, because we are now dealing with that tariff. We are now dealing with the question whether the tariff shall be changed. This is the estimate which was put upon the tariff we are now engaged in revising by this prominent Republican manufacturer.

The tariff which covers the prices—

That is, the prices of the \$14,800,000,000 of manufactures—

is inexact, antiquated, and inapplicable at the present time. Scarcely a single schedule has any honest and direct application at this time to the principle of protection. Under present conditions the tariff is not a protective tariff in any sense. It is a tariff—

Listen to this language—

It is a tariff of graft and discrimination, hurtful in a thousand ways. From one-half to two-thirds of the stuff made under this tariff bears to the consumer an unjust and unreasonable price because of the tariff.

It is estimated by competent authorities that the graft, overcharge, and wrong done the American public because of the present tariff reaches \$3,000,000 a working day. We have the facts, schedule by schedule, and are prepared to make the details public should we receive opposition to our demand for a permanent tariff commission, through the appointment of which a proper adjustment of the tariff can be procured.

We are not agitators or reformers. We are mostly Republicans, and all protectionists.

Mr. President, with that indictment of the tariff law made by this prominent Republican, this prominent official of the manufacturing industries, we are met by the suggestion time and again, whenever dissatisfaction is suggested as to any paragraph of the bill, "Well, that is the Dingley rate," and they pass it by without further opposition. Therefore it is that it is not sufficient for me to have it said that a rate of duty is found in the Dingley law.

Mr. President, Senators here in the discussion of this particular item have iterated and reiterated the statement of the amount that is paid in the way of wages to those who are employed in this industry. But we have heard nothing as to other items in connection with it. One is the much-needed information as to what proportion of this vast amount of money that it is proposed to give as a bonus—because that is what it is and nothing else—to this industry or that industry is received by these much-vaunted laborers, and what proportion of it is held by those who own the property and who take the profits?

If we are going to engage in the Socialistic business of protecting and caring for other men's private industries, if we are going to engage in the worst of all social propaganda, that the general public shall be taxed for the purpose of benefiting not the whole community but a part of the community, then we ought to go further and say how that money shall be distributed among those engaged in different capacities in the various industries thus taken, at the public expense, under the fostering care and guardianship of the Government. If the Government undertakes either by paying money directly out of the Treasury as a bonus, or by enforced contributions from the individual citizens aggregating the whole American people, to contribute thousands of millions of dollars to sustain certain private personal enterprises, it is the worst and most pernicious form of socialism. It is not to be defended logically except upon the recognition and acceptance of the principles and arguments upon which the general policy of Socialism is advocated and defended. But if entered upon, the fundamental principle of Socialism must be logically administered, and that is that there must be an equal enjoyment of the general fund. Particularly is this true when the great proprietors shelter themselves in the background, and base their demand for money to sustain their personal enterprises upon their extreme solicitude that American labor shall be properly compensated. That issue awaits them in the near future.

But there is another matter very much more important than the question as to how much of this vast sum, this enforced contribution from the general public, is taken by the proprietors for their own enrichment, and how much is doled out by them to the employees. That important matter relates to the question, Who pays these untold millions as a gratuitous support to other men's private business? Senators stand here and say that such and such an industry can not get along unless it has a certain amount of assistance, and Senators talk about the amount of money that is needed in order that the business may be carried along successfully. What does that mean, except that people who are unable to carry on their business successfully, or who wish to make still larger profits in their business, shall have the great general public taxed and the money realized by such taxation paid to them to help out a business which, as they allege, otherwise could not succeed to the desired extent? Their desire and purpose is to get more money out of other people than they are able to make in a natural and legitimate way out of their own business. If they did not get more money by it they would not be insisting upon a protective tariff in their favor.

In this connection what I immediately propose to ask is this: Who pays the money thus to be contributed to support the private business of others? It comes out of somebody's pocket. It does not drop from the skies and is not found upon the highway. It is paid directly by the American public, and every man pays his part of it, whether he wishes to do so or not.

In the former day of arbitrary rule, some centuries ago, the men in authority then undisguisedly despoiled the people of their property and gave it to a few favorites. In this day the protective system, through the thinly veiled forms of law, does the same thing. In that day, and at a still later period, one of the most odious forms of oppression, through which the people were plundered, was in granting to a few favorites monopolies in the necessities of life, thus giving to those favorites the opportunity and the power to wring from the people the payment of extortionate prices for those things without which they could not exist. In our boasted free government, with our much vaunted equality of right, our protective tariff law in greater or less degree, practically places within the power of comparatively a few men, so far as conditions make it possible, the monopolistic control of all the things required for the business, the comfort, and the sustenance of the people, thus enabling them to exact and collect extortionate prices for those necessary articles.

Mr. President, it is a most interesting inquiry as to how much money the American people have to pay to sustain and enrich these favorites, these private personal enterprises, by reason of high protective duties which are imposed for that purpose and not to raise revenue for the Government. I referred to that question the other day in a short colloquy which I had with the Senator from Montana. It has been a matter of some investigation, a matter of inquiry, a matter of careful estimate. It is estimated that in the case of a protective tariff, one framed along protective lines, which is designed to keep out of the country much the larger proportion of the goods such as those consumed in the country, much of which would come from abroad if it were not for the artificial barrier, the purpose and effect being to give a monopoly in the American market to the American producer, so that he may have no competition and thus be able to extort as high prices for his goods as the necessities of the American consumer may compel him to pay—it is conservatively estimated, I should say, because there are estimates very much higher than this, that for every dollar raised by duties paid at the custom-houses under such a protective tariff and which goes into the Public Treasury, the public pays \$7 to the domestic producer of similar articles consumed in the country, not a dollar of which goes into the Public Treasury, but every dollar of which goes into the private coffers of those who produce these protected domestic articles.

If that is the case, if we have a protective tariff bill, as this is avowed to be, as the present law is avowed and known to be, as this law is intended to be, as avowed by the Senator from Rhode Island and other Senators who have spoken—if this protective tariff is to raise \$300,000,000—then by this conservative estimate the people of the United States will pay more than two thousand million dollars, not for one time, but every year so long as the law stands upon the statute books—\$2,000,000,000 a year in increased prices, which goes into the coffers of these producers.

Now that may sound like a most extravagant estimate, and yet there are those who estimate it as high as \$10, instead of \$7, upon which this conclusion is based. It does not sound extravagant when we come to consider the fact that there are over thirteen thousand million dollars of domestic manufactures

annually consumed in this country, and that upon most of similar articles imported a tariff duty is laid of from about 40 per cent to more than 100 per cent ad valorem.

It is not necessary to take the position that the original cost of the goods and the tariff must be added together to find out what is the cost to the domestic consumer, because if that were the case, it would be, instead of \$2,000,000,000, over six thousand million dollars a year. So it is not an extravagant estimate when you say that in the consumption of the country at least \$2,000,000,000 are paid by the consumers of the country in the increased prices enforced by the protective tariff, and turned over to those who are the protected producers of the domestic articles practically as a bonus.

Mr. President, we have had the spectacle, which is to my mind a most wonderful one, of the Senate engaged in the consideration of these schedules and not a word said, except in a general way and as a matter of incident, as to whether any particular item is to raise revenue and what it will raise, and not a word said by Senators in charge of this bill, Senators who favor it in its form as reported from the Republican members of the Finance Committee, Senators who propose to pass it without substantial change, as to how the consumers are interested in this matter, and how it will affect them. Not a word as to the interests of the Government in raising a revenue through any schedule, not a word as to the mountain load of burden which this duty or that duty will lay upon the American consumer who must buy these articles whether he will or not. The only question which concerns these Senators is how much of this money thus coerced from other people through their necessities shall be given to this man to help enrich him in his private business, and how much to this other man to swell his bank account, which represents the gains from his private business. The title of the bill should be changed. In expressing frankly the truth the title should be, "A bill to be entitled an act to collect annually \$2,000,000,000 from the people of the United States and pay the same over to the favored proprietors of the protected industries herein named."

When this industry appears and that industry appears and asks that it may have this prohibitive rate of duty or that prohibitive rate of duty, it is simply a question how much will we, out of this \$2,000,000,000 thus extorted from other people, allow to those engaged in the lead industry; how much of this \$2,000,000,000 will we allow to some other parties engaged in another industry? And then how much to still another and another party, and so on to the end until the whole \$2,000,000,000 is divided among these greedy, insatiate interests to enrich them in their several private businesses at the coerced expense of the general American public.

Suppose it was piled up in that area in front of the Vice-President's desk. What would be the difference between doing that and effecting the same result through the passage of this bill? Suppose that 2,000,000,000 gold dollars were piled up in that area and we sat around here determining how it should be distributed. Would it be any different from what it is in practical effect? A Senator on my right suggests that we would go into executive session. I think we would do something to hide from the American people and the world the fact that we were engaged in—I will not use a harsh term—such an improper occupation.

Mr. GALLINGER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from New Hampshire?

Mr. BACON. I do.

Mr. GALLINGER. Supposing the Senator's theory—

Mr. BACON. It is not mine.

Mr. GALLINGER (continuing). That we ought to break down the protective system and be dependent upon foreign nations for our products were to obtain, where then would the consuming public come in when foreign nations could fix their own prices?

Mr. BACON. I will endeavor to answer the honorable Senator. I well appreciate and recognize the fact that Senators have lost sight of a tariff designed to raise a revenue for the Government since they have become intent upon this matter of exacting this tremendous tribute from the American people and dividing it out among their favorites. I speak thus because it is impossible that it can be otherwise than a division among favorites. Who knows, when Senators get up here and say that such and such an industry requires such and such assistance, whether or not that estimate is a correct estimate? It is impossible. At last even the Senators, the Republican members of the Finance Committee, who were immured within the walls of the great marble palace across the way where, in the daily bosom talks of several weeks' duration with the confidential representatives of these protected private enterprises, they carried on their secret conclaves from which Democratic



Senators with their embarrassing questions were rigidly excluded, must have taken to a large extent the estimates of those who came here and demanded, and who are still here demanding that the American public shall be taxed and money be taken out of their pockets to be given to them to swell their private fortunes. It was impossible that the Senators could have had the opportunity or the time to verify their statements by an examination into their books or the details of their business. It was impossible for these Senators to do otherwise than to act upon the faith of the statements made to them in the degree in which they gave credit to those statements. Under such circumstances the personal element necessarily influences and controls, however honestly Senators may endeavor to be impartial.

I am well aware of the fact that Senators have become so engrossed with the idea of dividing the spoils to be extorted from the American people—because that is what it is; nothing but dividing the spoils thus to be extorted—that they have forgotten the fact that a revenue is to be raised for the Government; and if any Senator stands here in his place—

Mr. ALDRICH. Mr. President—

Mr. BACON. I will not yield to the Senator now, as I am replying to the Senator from New Hampshire. I will later. The honorable Senator will please pardon me for the present. If any Senator stands in his place and suggests that a certain rate of duty is the proper revenue rate, he is met with jeers and laughter and sneers by Senators on the other side who recognize that a tariff law is nothing but the means by which to despoil the public and distribute the spoils among favorites. They have become so absolutely wedded to the idea that the chief and only function of a tariff bill is a means to gather spoils from the people and distribute them among the protected industries carried on by private personal enterprise, which it is sought to thus enrich at the public expense, that they fail to realize or remember that there can be any such thing as a tariff framed to raise the revenue required by the Government. They forget that the needs of the Government make such a tariff for revenue necessary, and that, under such necessity, even a tariff strictly and solely for revenue would be a high tariff, however much we might wish to make it a low tariff.

Therefore I reply to the Senator from New Hampshire that it is not necessary to take either extreme. It is not necessary to ask what would be the condition of affairs if there were no artificial barriers. The protective tariff can be removed and there would still be unavoidably a high barrier remaining as the necessary effect of a revenue tariff.

Mr. GALLINGER. Mr. President—

Mr. BACON. I hope the Senator will let me finish my reply before he rejoins.

Mr. GALLINGER. Certainly.

Mr. BACON. It is not necessary to take the extreme of saying that there would be free trade. This is a Government of immense means. This is a Government requiring a vast revenue. I suppose there is not a Senator within the sound of my voice who does not know the fact that if we were to assemble here and take the Walker rule as to what was necessary in the raising of a revenue and apply it, it would take somewhere between 20 and 40 per cent in order to raise the necessary amount. It is not practicable to estimate this with accuracy, but I presume the average would be between these limits. Therefore, we could never be brought to the condition the Senator speaks of, where there would be no artificial barrier.

Mr. ALDRICH. Mr. President—

Mr. BACON. I will yield to the Senator from Rhode Island.

Mr. ALDRICH. The Senator stated the amount of money it costs the American people to maintain the act of 1897. For the last year, for instance, how much does the Senator say it has cost? I understood him to say three or four thousand million dollars.

Mr. BACON. No, I did not say that.

Mr. ALDRICH. What does the Senator think it costs, that the Senator says we are extracting from the people of the country?

Mr. BACON. I am permitting the Senator to interrupt me to ask a question, but I shall insist when he asks the question that he shall permit me to answer, and not immediately, before I can answer it, propound another.

Mr. ALDRICH. How much does it cost the American people to maintain the protective tariff?

Mr. BACON. I have stated the fact—

Mr. ALDRICH. How much?

Mr. BACON. I have stated the fact that it is variously estimated by different people, by some as low as five times and by others as high as ten times the amount realized from the protective tariff at the custom-houses. Some estimate it as

high as ten times that received at the custom-houses under the same protective tariff.

Mr. ALDRICH. Mr. President—

Mr. BACON. Pardon me a minute. I have not finished my answer. The Senator will certainly permit me to do that.

Mr. ALDRICH. Certainly.

Mr. BACON. It is estimated by some as low as five times the amount, but I do not know of anyone who estimates it at less than that. Therefore, I say it is a conservative estimate to take seven, because the highest is about ten and the lowest about five. If we take seven it would be \$2,000,000,000, taken out of the pockets of the consumers of the country in the increased cost of articles, which increased prices go into the coffers of the producers in whose interest the protective tariff is made. This estimate would necessarily vary with the degree in which the tariff law should prove to be prohibitive, and the particular class of articles upon which such prohibition would operate. If the prohibitive duty is laid upon articles of most general use, then the proportion would be higher than 7 to 1 and would probably justify the estimate of 10 to 1.

Mr. ALDRICH. Does the Senator from Georgia think that \$2,000,000,000 is a low estimate or a high one?

Mr. BACON. I say I think it is a conservative estimate. That is the fourth time I have stated that.

Mr. ALDRICH. It is probably four or five thousand million dollars a year?

Mr. BACON. No; I did not say that.

Mr. ALDRICH. Say \$3,000,000,000.

Mr. BACON. I will not.

Mr. ALDRICH. Does the Senator say it is anything over two?

Mr. BACON. I will say two, more or less, if that will satisfy the Senator.

Mr. ALDRICH. Two thousand million dollars for eleven years is \$22,000,000,000 that the protective system, according to the Senator from Georgia, costs the United States.

Mr. BACON. I have not any doubt of it in the world—not a particle.

Mr. GORE. Mr. President—

Mr. BACON. Pardon me a minute. The Senator propounded that question as though I meant that the money was paid into coffers, in gold into chests, to be locked up and remain there during the eleven years, and he may also say that there was not that much money in the world. That is true. But that is not what is done with it. Of course it goes back into trade, and is used over and over again in similar transactions. It goes back, some of it, to the same people in different ways, it is true; but if the Senator were to take the same line of argument I could prove to him that cotton in the last forty years had taken vastly more money out of the pockets of the purchasers than all the money in the world. But a large part of the money that is spent one year in the purchase of cotton returns through the channels of trade and is again spent the next year in the purchase of the same kind of cotton.

Mr. ALDRICH. I suppose the Senator from Georgia would agree with me that the purchases and sales of cotton have been a benefit to the people of the United States.

Mr. BACON. Oh, yes—

Mr. ALDRICH. So that is—

Mr. BACON. Because when men raise and sell cotton they get the value of cotton in the money they receive for it, and the men who purchase the cotton get the value of their money in return.

Mr. ALDRICH. Is the Senator willing to concede that this \$22,000,000,000 might have been a benefit—

Mr. BACON. The Senator must know that I am not so much of a doctrinaire as to say that there are no advantages to any one in the protective system.

Mr. ALDRICH. Does the benefit exceed \$22,000,000,000 in the view of the Senator?

Mr. BACON. I think not, except to the protected parties who receive that stupendous tribute for their private benefit. The fatal defect in this instance, as it is in the general operation of the protective tariff, is that this vast sum is annually exacted from the many, and with partial hand it is bestowed on the few. It does not come, in the main, out of the men who get the benefit. It can not be equally distributed. It is a tax not equally distributed. If you could by a protective tariff have a system in which there should be the same amount of money laid as a burden in the way of paying for that tariff upon each man, and then in which, so far as any resulting benefit was concerned, it would be equally distributed in its benefits throughout the country, there could be no criticism upon the protective-tariff system so far as the question of policy is concerned. What

each man suffered in the way of a burden would be equally compensated for in the corresponding benefit he would receive.

Mr. ALDRICH rose.

Mr. BACON. The Senator will pardon me for a moment. I well know the advantage of breaking in before a Senator has expressed his thought. I will yield to the Senator at the proper time, and I will not in any manner evade what he may see fit to present on this question.

I repeat, if under the protective tariff an equal burden were laid upon every man by the operation of that tariff—

Mr. GORE. Mr. President—

Mr. BACON. I did not see the Senator standing, or I would have yielded to him before. I just want to finish this sentence and then I will yield to the Senator. I want to express more fully this thought. If the protective tariff in the burden which it lays upon the country, laid that burden equally upon every man, and if on the other hand the resulting benefits, because there are resulting benefits—everybody knows that who is not an abstract doctrinaire—if, on the other hand, the resulting benefits could be bestowed with equal impartiality upon every man in the country, there could be no possible criticism upon the protective tariff as a matter of public policy, although there would still be the constitutional objection to it. But the misery of it is that it is neither equal in the one nor in the other. It is not equal in the burdens it lays. It is extremely unequal and partial in whatever benefits result from it.

Now, I yield to the Senator from Oklahoma, but I will resume this line.

Mr. GORE. I merely desire to suggest to the Senator from Georgia that he might be able to give the Senator from Rhode Island a concrete example of what the protective tariff costs the American people. The lead ore schedule is now under consideration. The price of foreign ore—

Mr. BACON. I hope the Senator will allow me. I yielded to the Senator for a question or a suggestion. Evidently he is starting upon a line which would require some time to pursue. I will be through in a little while and then I will be more than glad to yield him the floor.

Mr. GORE. All right.

Mr. BACON. Mr. President, I will illustrate that by my own section. I well know the argument of the protectionists. It has been illustrated here by various suggestions which have been made as to the effect which would result from the paralysis of any particular industry, that it would not simply affect that industry, but all kindred industries, like knocking down the first of a row of bricks, and away they would all go. That is a very strong argument in so far as the argument can be made to apply, but unfortunately in this country with its diversified industries, with its varied conditions, it is an impossibility that it can be made to apply with equality.

Now, take my own section. I am speaking now of the States which grow cotton. The leading industry is the growing of cotton. I suppose that nine-tenths of the people in my State are either directly or closely connected through business connections and interests or otherwise with the growing of cotton. We make annually over 2,000,000 bales of cotton in Georgia. The State of the Senator from Texas, who sits on my left, makes nearly 4,000,000 bales of cotton.

Mr. KEAN. Mr. President—

The VICE-PRESIDENT. Will the Senator from Georgia yield to the Senator from New Jersey?

Mr. BACON. I do, for a question.

Mr. KEAN. Only a question. I was going to ask the Senator from Georgia how many spindles he has there.

Mr. BACON. I will tell all about that. There is no trouble on that subject at all, not a particle. I will come to that. I say to the Senator that the manufacturing interest in my State is a great and growing interest, and I am proud of it.

Mr. KEAN. So am I, Mr. President.

Mr. BACON. The honorable Senator need not give assurance of that. I assume that to be true, and I know it is true. The Senator is a patriot. We are all proud of the development, not only in our own States, but in other States.

Except the States of Louisiana and Kentucky, the manufacturing product of Georgia is larger than that of any other State south of the Ohio River, south of the Potomac River, and south of the State of Missouri. If I am not incorrectly informed, in the States of Kentucky and Louisiana the increased amount of manufactures with which those States are credited is made up by including as among their manufactures their work of preparation of their agricultural products to make them marketable; I mean in the changing of conditions of the agricultural products of sugar and tobacco to make them merchantable. The work of ginning and baling cotton might, it seems,

with equal propriety, be classed as manufactures. But outside of work expended on preparation of agricultural products for market, so far as textile manufactures are concerned, and the manufactures of wood or iron or stone or anything of that kind, the State of Georgia is, in the value of manufactured product, ahead of any other State south of the boundaries named. Therefore, I am not indifferent to those things. The Senator need not think that I am overlooking those matters. I am not. But they do not lead me to the support of a protective tariff. It would be difficult for me to express the limits of my pride and gratification in this splendid development of the manufacturing industries in my State. I confidently expect them to be steadily and largely increased. Cotton growing is the basic industry of Georgia. Out of the success of this unprotected industry of cotton growing has grown and developed, directly or indirectly, the successes of all other industries in the State. According to my view these extensive manufacturing industries will not find it necessary, in order to maintain themselves, to prey upon the business of the cotton growers through the means of a prohibitory protective tariff. A revenue tariff, the rate of which must be, generally speaking, somewhere between 20 and 40 per cent, is in my opinion all that any enterprise is entitled to. A legitimate revenue rate of duty can be properly supported by any Senator, even if it only affects interests outside of his State. On the other hand, a prohibitory protective tariff can not be properly supported by a Senator even though it specially affects an interest in his own State. That, so far as it concerns a rate of duty, is my tariff creed. In determining whether I shall support any given rate of duty, I will be guided by the same rule which would control me if I were assisting in framing a Democratic tariff. I will support proper revenue duties, and I will not support any prohibitory or protective rate of duty. The test whether any proposed rate will materially bar importations or whether it will yield a proper revenue is easily applied.

But, returning to the more immediate discussion of the influence of the protective tariff upon the business of the cotton grower, I say that the overwhelming majority of the people of my State are interested directly or closely connected with the growing of cotton. There are two kinds of cotton. There is the general staple, which is known to the markets of the world and controls the markets of the world. There is what is known as the sea-island cotton or long-staple cotton, of which only between one and two hundred thousand bales are made in the whole of North America, and of that the State of Georgia makes almost if not quite as much as all other States put together in the United States. There are only two other States which produce it, and they are Florida and South Carolina. Georgia raises the larger amount of sea-island cotton. It is the second of all the States in the production of the general class of cotton. It stands next to the imperial State of Texas, with her more than four times the greater area. Last year we made over 2,000,000 bales of cotton. Yet I affirm that outside of between fifty and one hundred thousand bales of long-staple cotton which the State of Georgia makes you might pile tariff on tariff, like "Pellon on Ossa," and it could not benefit the cotton industry to the amount of a dollar. Why? Because we are exporters of cotton. The cotton-growing States send eight or nine million bales of cotton out of the country, and it is an impossibility that there can be any tariff put upon it which will be a benefit to those engaged in this immense industry. And yet the millions of people concerned in making this, which is the largest single export of all other exports, whether agricultural, mineral, or manufactured, have to pay on account of the protective tariff from 50 to 100 per cent in increased prices of nearly if not quite all the articles used and consumed by themselves, in their business, and in their families, food raised by themselves alone excepted.

Can I furnish any stronger illustration of the proposition that the protective tariff law is one necessarily unjust, because necessarily impossible to be impartial? Therefore, I answer the Senator's question when he asked me what would happen to this country in the absence of a protective tariff.

Mr. GALLINGER. Mr. President—

Mr. BACON. Unless the Senator desires to ask me a question—

Mr. GALLINGER. I was interested in what the Senator said about cotton. We all agree to that. But what about the manufacture of cotton, which the Senator's State is interested in?

Mr. BACON. I say this about the manufactures of my State—

Mr. GALLINGER. I have just glanced at a book here, and I will detain the Senate but a moment. I find that of one class of cotton, 15,000,000 yards were imported last year, of another,



6,000,000 yards, and of another, 7,000,000 yards. I do not know but that 100,000,000 yards of cotton were imported into this country. If we should reduce the duty below the protective point the Senator knows what would happen.

Mr. BACON. I do not want any duty that is up to the protective point. Now, what do you mean by a duty that is a protective point? This lead schedule here is a protective duty, because with 350,000 tons produced in the United States only 17,000 are imported, about one-fifteenth. A protective tariff is one which in the main practically excludes from the country articles which can be competed with by articles produced in this country by placing the rates of duty so high as to discourage and materially prevent importations.

Mr. GALLINGER. Does not the Senator call the cotton duty a protective duty?

Mr. BACON. If the Senator has asked the question—

Mr. GALLINGER. I am asking the Senator the question.

Mr. BACON. And I am going to answer it.

Mr. GALLINGER. Does the Senator call the cotton duty a protective duty, when now about 100,000,000 yards come in from foreign countries?

Mr. BACON. The Senator asked the question once and I will proceed to answer it.

Mr. GALLINGER. I would be glad to have an answer.

Mr. BACON. I myself avoid, when I am very much interested in what a Senator says, very frequent interruptions, because I know that the breaking of a Senator's line of thought makes it almost impossible to answer a question.

Mr. GALLINGER. I beg the Senator's pardon.

Mr. SUTHERLAND. Mr. President—

Mr. BACON. I can not yield now, but will be at the Senator's disposition later on.

Mr. SUTHERLAND. I wish to correct the statement made about the importation of lead. The Senator, I understood, said—

Mr. BACON. The Senator will have ample opportunity to do that. I desire to go on with the argument, and I will not yield the floor until I give every opportunity to every Senator who desires to ask any question.

Mr. SUTHERLAND. I suppose the Senator desires to state the statistics accurately.

Mr. BACON. I can be corrected later, and I hope the Senator will wait.

Mr. President, what I desire to say with reference to the manufacturing industries of my State is that I would not favor what I understand to be a protective duty, as I have just defined it, upon any article in my State or in any other State. If I can be shown that any proposed duty exceeds a proper and legitimate limit as a revenue duty I will certainly vote for a lower duty, I care not what the article is or where it may be produced.

So far as the cotton industry is concerned, I said that I presumed there was no Senator within the sound of my voice but who would admit that in order to raise the revenue required for this country there would have to be an average duty of somewhere between 20 and 40 per cent; and, Mr. President, I am utterly, irrevocably opposed to the imposition of any duty upon any article which will exceed that limit, unless perhaps it may be necessary to make some successive steps downward in the effort to rid ourselves of the present exorbitant rates. I say that limit of rates of duty is one which we can not get rid of, and it answers the Senator's question as to what will become of us if we abandon the protective tariff. It is not necessary to have a protective tariff in order that our industries shall have the advantage in regard to the business of this country.

Mr. President, I beg to say that I had no expectation, when I began, to go into a general discussion of this question of a protective tariff, but I have been led into it, and as I am launched I will proceed, unless I weary the Senate.

In considering the protective tariff Senators lose sight of two great questions. One is: What is best in order to raise revenue for the Government? The other is: Who pays this money? The great cotton industry of the South, making 13,000,000 bales of cotton, which preserves the balance of trade between this country and Europe, brings into this country every year in gold, or keeps gold from going out of the country through bills of exchange, more money nearly twice over than all the gold that is mined in all the mines of all the world each year. What possible excuse can be given that this immense industry shall be required to pile up here in this Chamber, not only for once but for every year, its great proportion of this two thousand million dollars of tariff tax, and say that it shall be distributed without return as a bonus to other parties, who are either unable to live upon the profits of their own business or

who are not satisfied with the profits of their own business, and who demand that the public shall contribute out of their pockets that which is necessary thus either to preserve them or to still further enrich them?

Mr. President, suppose that instead of this indirect way of collecting money and paying it over to the favored industries, we, here sitting in our sovereign law-making capacity were to determine, so far as it could be done under Constitutional limitations, that a tax gatherer should be appointed by the law of Congress, and that he should proceed through the country to levy and collect this two thousand million dollars, and have it said by this tax gatherer, as he took this tribute from men toiling with brain and muscle, "this is not for the Government; not a dollar of that will go to the Public Treasury; it is to be carried to Washington and piled up in front of the Secretary's desk in the Senate Chamber, to be distributed by the Senate to private parties to aid them in their private personal business." And after it has been thus collected from the people by the taxgatherer and piled up in a great heap in this Chamber, suppose that we should then be surrounded in all these lobbies and hotels with men engaged in other branches of industry, and that they should importune us that this money should be given to them for their private gain, that we should listen to them and to their demands, that the Republican Senators should hear them in bosom talks in the secret conclave in that marble palace of which I have spoken, and to which the Senator from Iowa [Mr. DOLLIVER] alluded day before yesterday, and according as this one might have political influence, or that one might have power, or that one might excite pity, and thus secure the recommendation of the Republican members of the Finance Committee in favor of this one, that and the other, this two thousand millions of dollars, gold dollars, thus gathered out of the toil of the American people, should be put in bags and handed out to them at the door of the Senate Chamber, and they should walk away with it—each one of them taking in his hand his bag of ill-gotten gold. How long, Mr. President, would the Federal Government stand? How long would it be before the people of the United States would rise up in revolution and overthrow it? Yet, Mr. President, that is not an overdrawn picture. It is the God's truth as to what in practical effect is being done under the operation of a protective tariff.

Mr. President, the most unwelcome visitor in the world is the taxgatherer. We have in the United States two kinds of taxgatherers outside of the internal revenue officers. We have taxgatherers who are at the ports and who gather through duties on imports the taxes that are necessary for the support of the Government. Who gathers the other taxes? Who gathers the \$2,000,000,000, that men and women and the industries of all kinds in this country are required to bring here and pile up in gold dollars before that desk? Who are the taxgatherers? Why, Mr. President, there is not a corner grocery store that sells a pound of sugar to a poor widow but what at the time it sells that sugar gets the value of the sugar and then collects from that widow between 1 and 2 cents, I think it is approximately 2 cents, from that purchaser, not for the benefit of the Government, but for the benefit of the Sugar trust.

If you pass this lead schedule, there is not a man who will go and buy a gallon of paint to put on his house but what he will pay, in addition to the value of the paint, the additional cost that is represented in 78 per cent on the ore, or 49 per cent upon the article; and every man who sells that sugar or paint, every clerk who stands behind the counter, is an involuntary tax collector, who is there for the purpose of collecting this money out of the poor widow for the sugar or out of the poor farmer who wants a gallon of paint to put upon his front porch.

Not only so, Mr. President, but look through this bill with its vast multitude of articles covering every article of consumption. There is not a single thing that anybody can buy, speaking generally, but what, in making a purchase of it, a part of this tax has to be paid. It is not only in the corner grocery, it is not only at the paint shop, but there is not a store in the whole United States, there is not a store in New York, or in Chicago, or in Washington, or in any other city or village in the United States, but every clerk who stands behind the counter and sells a yard of cloth, or a bolt of ribbon or a hair comb, or a pair of shoes, or anything else, a plate to eat out of, a garment to wear, or a pot to cook in, but who, when he sells that article or any one of these enumerated articles, is the involuntary tax collector of the United States to collect this tribute from these people and pay it over to those who are the protected producers.

Mr. President, I have wandered far from what I started out to say. But what I have said is the truth, and no argument, unless Senators can show a mistake in the fact, can controvert

what I have suggested. I repeat, so far as the lead schedule is concerned, I am opposed to it upon the same ground I am opposed to other schedules. As to articles of common use there must be a tariff upon almost all of them. Some of them for particular reasons perhaps might be free. That is a difference of opinion, and not a difference upon the general question of protection. When it comes to a matter of principle, of course, I stand upon the proposition that no tariff which exceeds legitimate revenue should be imposed.

Mr. President, the Senator from Utah desired to ask me a question, and I shall now be more than glad to respond to it.

Mr. SUTHERLAND. I simply desired to call the attention of the Senator to the fact that he stated that the imports of lead in 1907, as I understood him, were only 17,000 pounds.

Mr. BACON. Mr. President, possibly in the brevity of my statement I did not fully cover the whole case. I have before me the Statistical Abstract and also this document, which is furnished here by the Finance Committee for our guidance. I well understand, as I have been informed since I made those figures, that they do not include the part of the lead import which was smelted and exported; but, with that exception, the figures which I have given are correct, and I will read them to the Senate. I will admit, as I have been told to-day by the Senator from Rhode Island [Mr. ALDRICH], that this table does not include possibly fifty or sixty thousand tons—I do not know how many—of lead which has been imported into this country, not for use in this country, but for smelting purposes, to be exported, and that no revenue was taken for that, and that, therefore, there is no mention made of it in this book. But the importations into this country and which are to be used in this country, and upon which revenue is paid at the ports, are in accord with the figures stated by me. Am I incorrect to a greater extent than that?

Mr. SUTHERLAND. I have not the figures at hand showing exactly what the exports were.

Mr. BACON. I have them here in this book. Is my statement now correct?

Mr. SUTHERLAND. But the imports of lead to the United States in 1907, in round numbers, were 160,000,000 pounds, which would be 80,000 tons.

Mr. BACON. Very well. That comes down to what I said, about 50,000 tons, which had been brought into this country for smelting and exported, which is not to be used in this country, from which no revenue was received, and which really had nothing to do with the industries of this country, except to give to smelters what I consider to be a very undue advantage, a very high tariff on what they do import for domestic uses, and then permitting them to have the benefit of our superior methods of production and of our superior capacity of workmanship and of workmen—letting them have the benefit of that, and then to ship it out of the country, without paying the Government anything for it. I have stated it, not from rumor, not from information gained from outside sources, but my statement has been predicated and limited to the information gathered from the official Statistical Abstract and to the documents before us which the Committee on Finance has given to us. I have made no mistake in the figures and have not misstated them. The matter of imports of lead ore which are for export after smelting, and upon which no import duties are required, presents another instance where our law gives to the smelter the opportunity to sell to foreigners at a price cheaper than that at which it is sold to our own people.

Mr. NELSON. Mr. President, will the Senator yield to me for a moment?

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Minnesota?

Mr. BACON. I do, with pleasure.

Mr. NELSON. I simply desire to state, Mr. President, that the book I have here, called "Notes on Tariff Revision," shows that we exported from this country of lead ore and base bullion in 1907 over 80,000,000 pounds.

Mr. BACON. That includes the part I was speaking about. Here are the figures which have been furnished us [exhibiting], and I will read them to the Senate. In paragraphs 179 and 180 there are four different classes of importations of lead products. They aggregate 54,773,000 pounds, which, reduced to tons, makes 27,235 tons as the import of this country. That does not include the imports for the purposes of smelting and exportation; but, with that exception, the statement which I have made has been absolutely correct, and the figures show that this rate of duty on lead is prohibitory and puts the farmers and other users of lead at the mercy of the lead trust to charge them any prices it may see fit to impose upon them.

Mr. President, I want to call attention just in passing—for I do not propose to discuss this lead schedule in detail; that

has been sufficiently done by others—I want to call attention to the fact that the difference between the rate on pig lead in the House bill and the Senate amendment is five-eighths. That makes an advance over the House rate of 33 per cent, covered up, it is true—I will not say that offensively—

Mr. ALDRICH. Oh, no; it is not covered up at all.

Mr. BACON. It is disguised, and it takes a calculation to find it. I do not mean that it is covertly done, but it is covered up. It requires a mathematical calculation of fractions to discover it; and when the mathematical calculation is made, there is 33 per cent difference between the rate as it comes from the other House and the rate which the Senate committee amendment proposes.

Now, upon the matter of revenue. We have heard a great deal about the rate under the Wilson bill, and I should be glad to see a return to that—

Mr. SCOTT. Before the Senator begins on another branch of the subject may I ask him a question?

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from West Virginia?

Mr. BACON. Certainly. I am glad to answer any question.

Mr. SCOTT. I am asking for information. I see that under the McKinley Act there was imported into this country about \$3,000,000 worth of cotton, and under the first year of the Wilson law there was imported \$5,000,000 worth of cotton. What was the cause of that? I really do not know.

Mr. BACON. That is almost entirely long-staple cotton. That is the only kind of cotton which can possibly come into competition with the cotton produced in this country. Of course, there is little cotton of the ordinary kind imported, unless it be incidentally, and perhaps along the Mexican border. I, myself, once came across the Pacific upon a ship which had five bales of Chinese cotton on it, but that does not affect anything, of course. That was brought over for a specific purpose, but the only importation of cotton—I am speaking generally—is Egyptian cotton or cotton of that class. It is used in the higher grade of cotton manufactures, which are principally carried on in the States of Massachusetts and Rhode Island, and, very strange to say, while Senators who are so influential in that committee put no duty on long-staple cotton, which they need for their New England factories, not even an ordinary revenue duty of 20 per cent, which would yield a revenue to the Government of \$2,000,000 annually, they have proposed, on the contrary, that upon raw wool—I have forgotten what the duty is; is it 100 per cent upon raw wool? What is the duty, I will ask the Senator from Rhode Island, on raw wool?

Mr. ALDRICH. The duty varies.

Mr. WARREN. The Senator from Georgia certainly does not assert that the duty on raw wool is 100 per cent?

Mr. BACON. I am asking for information. I do not know. What is it—50, 60, or what per cent?

Mr. WARREN. It is 11 cents a pound.

Mr. BACON. But what is the ad valorem—about how much is the ad valorem? I think that is forty-odd per cent.

Mr. WARREN. The last time I looked the matter over and compared the figures, it was between 35 and 45 per cent.

Mr. BACON. The Senator is correct. The Senator can not possibly accuse me of wishing to mislead anybody on that subject.

Mr. BURTON. I think I can give the Senator from Georgia the exact figures.

Mr. BACON. Very well.

Mr. BURTON. On first-class wools the average ad valorem duty on the largest importations is 44.52 per cent; on second-class wool it is 41.11 per cent; and on third-class wool it is 35.18 per cent.

Mr. BACON. I will state, Mr. President, not in justification—for justification is not needed—but merely in the way of explanation as to the extravagant figure which I gave, that this woolen schedule does in such a general way run clear above 100 per cent on many woolen articles, that it was very natural that for the moment I should have been misled as to the duty on raw wool. As soon as I made the statement I was satisfied I was wrong, and therefore I asked the Senator from Rhode Island [Mr. ALDRICH] what the duty on raw wool was.

Mr. WARREN. The Senator, of course, will understand that the percentage varies, as all specific taxes do, as the market goes up or down.

Mr. BACON. That is necessarily true. Still it is quite high; and for that matter my suggestion of 100 per cent duty was not so far out of the way, if scoured wool ready for the loom is considered, when we are comparing it with the imports of long-staple cotton in a condition also ready for the loom.

Mr. President, I was probably not as considerate of interruptions as I should have been, and as I would like to be, in



the ardor of such remarks as I was submitting; and I did not answer the inquiries of Senators. I am now at their disposal and shall be very glad to the extent of my ability to answer anything they may ask.

Mr. GALLINGER. Mr. President, did I understand the Senator from Georgia to estimate that under the existing tariff law the added cost to the consumer was two thousand million dollars?

Mr. BACON. Yes, sir.

Mr. GALLINGER. Would the Senator venture an opinion as to how much that would be reduced if we had a revenue tariff in place of what we call a protective tariff? In other words, is it fair to have it go out to the country that our tariff system is costing the consumer two thousand million dollars?

Mr. BACON. The Senator is absolutely correct in his criticism, so far as the responsibility of the protective tariff, considered by itself, is concerned, and I meet it with the utmost frankness. Of course, two thousand million dollars does not represent an amount improperly taken alone through the protective tariff, because if there were a revenue tariff, there would necessarily be an incidental protection—that is an inevitable consequence—and the two thousand million dollars, so far as it relates to any excess over that which is properly due, must be diminished by what would be the amount under a revenue tariff. Nevertheless, that does not change the fact that under this estimate the protected interests get the full amount of the \$2,000,000,000 under the operation of the protective tariff. The only modification of the statement is that even under a revenue tariff these protected interests would get a part of the amount. My complaint of them is that they are not satisfied to receive the large amount that even a revenue tariff would give to them.

Mr. GALLINGER. Mr. President—

Mr. BACON. If the Senator will pardon me a moment—

Mr. GALLINGER. Certainly.

Mr. BACON. And estimating, as I do, I think that a revenue tariff would require between 20 and 40 per cent. This would not only be sufficient to protect every legitimate industry in the country, but would fall, if not equally, at least in such a manner that so far as any man did not receive his equal part of whatever resulting benefit there might be from such a tariff, he would say, "I am making that sacrifice for the benefit of the Government and not for the benefit of the private individual."

Mr. GALLINGER. Would the Senator take the Wilson tariff law as an example of a revenue tariff law?

Mr. BACON. No. I was not in Congress when the Wilson tariff law was passed, and I am not so familiar with it as is the Senator from New Hampshire; but I think there are many schedules of the Wilson tariff law which are entirely too high. I think the woolen schedule of the Wilson tariff law is too high, and I could go through some others, though as I say to the Senator I should have to take them and go through them with some care, for I have never had placed upon me the obligation to give any special study to it.

Mr. GALLINGER. I think the Senator ought to permit me to ask him the question, for I think it is but fair—

Mr. BACON. I think so, too.

Mr. GALLINGER. That it shall go out to the country that, even if the Senator's figures are right—which I do not agree to at all—that a very large proportion of that will be obliterated when we take into consideration the fact that, under a revenue law, we must of course provide for a very considerable portion of that two thousand million dollars of which the Senator has spoken.

Mr. BACON. That is correct only in so far as it indicates for what proportion of the total amount the protective tariff, as such, shall be solely responsible. I want to state in that connection that the statement made by me as to \$2,000,000,000 is only to be modified to the extent of about one-fourth. I will say that, instead of \$2,000,000,000, which are exacted from the people of the country and paid to people to whom they do not owe it, and received by people who have given nothing for it, the amount is fourteen or fifteen thousand million dollars, to be charged against the protective tariff alone, which of itself is quite a neat little sum. It is a question of bookkeeping as to which column it shall be charged up in. That, however, does not change the fact that under the protective tariff these industries get the full \$2,000,000,000. It is only pertinent to show that they would get a part of it even under a revenue tariff. Nevertheless, under the protective tariff these industries get the entire \$2,000,000,000 when the protective law is in force. They do not give up any part of it on the ground that such part represents what they would get anyway under a revenue tariff. They take the whole of the amount covered by the tariff duties either way. But even with that consideration, even if there

were a reduction under the suggestion made by the Senator, the amount taken in excessive prices through the protective tariff may exceed the amount first stated by me. As I have said, the amount thus taken from the consumer is estimated by some to be as high as ten times the amount collected at the ports under that tariff. In that case it would be \$3,000,000,000 instead of \$2,000,000,000. It depends largely upon the extent to which a prohibitory duty is placed on articles of general consumption.

Furthermore, the fact is not to be overlooked in making this estimate, the increased prices paid by the consumers, under a revenue-tariff law, are not as great in their proportion as are the increased prices paid under a protective tariff. The protective tariff bars out the foreign importation and leaves the domestic producers without competition, to combine and charge as high prices as they can extort from the domestic consumers. Therefore it is that the increased prices under the protective tariff increase much more largely and in greater proportion than the increase in the rates of duty.

Mr. GALLINGER. This is my final question—

Mr. BACON. I have no objection to as many as the Senator desires to ask.

Mr. GALLINGER. Does the Senator say, in all seriousness, that the present rates ought to be reduced 75 per cent?

Mr. BACON. As an average?

Mr. GALLINGER. As an average.

Mr. BACON. I do most undoubtedly—well, I will not say "75 per cent." I did state an ad valorem from 25 to 30 per cent. Of course, the Senator recognizes the fact, and I presume he recognizes that I probably know the fact, that what is a revenue duty on one article is not a revenue duty on another. It depends on the grade of the article, the conditions, and everything of that kind. And the average of the duties laid may be very different from the average of the duties collected. This is especially true if the highest duties are upon the articles of general consumption.

Mr. GALLINGER. Certainly; but—

Mr. BACON. Of course I am not guided in that opinion by having sat down with pencil and paper and having made distinct calculations; but I am guided by general expressions of opinion of people who have familiarity with such subjects, and by putting them together I am guided to the conclusion that from 25 to 30 per cent, as an average, although on many articles the rate ought to be less.

Mr. GALLINGER. Twenty-five or 30 per cent of the existing rate?

Mr. BACON. No; I do not mean that at all. I mean 25 or 30 per cent ad valorem on the goods. If I made the reply to the question of the Senator in the way he put it last I did not so understand it. I am speaking of the ad valorem percentage.

Mr. GALLINGER. The average ad valorem percentage now, I think, is estimated at 42 per cent.

Mr. BACON. No, no; more than that.

Mr. GALLINGER. Not much more than that.

Mr. BACON. The statisticians and experts are all of them given to great misrepresentation if it is not more than that.

Mr. ALDRICH. The average ad valorem on all importations is 28 per cent. The Senator would, according to his figures, put up the average ad valorem.

Mr. BACON. I am not speaking of the average rate on importations; I am speaking of the average rate in the tariff law. That is what I am speaking about. The average rate in the tariff law is said to be about 45 per cent; and I have seen estimates of late that the average rate of the proposed law is over 46 per cent. A prohibitory rate of duty will prevent importations under the higher rates and thus bring down the average rate paid on actual importations. That is very simple.

Mr. GALLINGER. So that, if the Senator agreed to a 30 per cent ad valorem instead of a 45 per cent, he would get rid of a very considerable part of the two thousand million dollars.

Mr. BACON. Waiving the contention I have already stated that no part of the \$2,000,000,000 would, in fact, be gotten rid of, the last suggestion of the Senator would depend for its soundness a great deal upon what were the classes of articles upon which the high or low duties were imposed. For instance, I will take the matter of common woollens in the woolen schedule suitable for woolen garments, outer garments such as the women and children of the country wear. There is a duty of 140 per cent on them. So that when the Senator talks about what the amount would be it is an impossibility to state as to the average duty, because the average duty may be made up in such a way that the consumption of articles of one class would be small and the consumption of articles under changed conditions would be very large. To complete the illustration, what is the effect on women's coats, talmas, and outer coverings? The fact is that the rate of duty is prohibitory and no revenue to speak of is

derived therefrom. While the duty is much lower upon the higher grades of goods because we have not in this country as many factories that compete in the higher grades as in the lower grades, we put this exorbitant and prohibitive tariff upon woolen articles in common use; they are absolutely excluded from the country, and no appreciable revenue is derived from them, whereas if, on the contrary, the duty were lowered upon these articles the revenue derived from them would be much larger. So that all those things have to enter into the calculation. When the rate of duty is prohibitory, there are no importations. The domestic producer is thereby given a monopoly in that class of goods. The Government derives no revenue. The consumers have to pay these largely increased prices upon the domestic articles, and these increased prices all go to the American protected producers.

Mr. WARREN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Wyoming?

Mr. WARREN. I want to ask the Senator a question.

Mr. BACON. I yield to the Senator.

Mr. WARREN. I have been very much interested in the Senator's remarks about a revenue tariff and what would be a proper rate. Has the Senator carefully estimated what would be a satisfactory rate to him and what would be a successful one to the country when he states it at 25 or 30 per cent? I will say to the Senator the reason I ask that question is that when the Dingley bill was before the Senate a distinguished Senator on the other side, who, I think, occupied the very seat that is occupied now by the Senator from Georgia—

Mr. BACON. No; he was next to me. The Senator refers to Senator Vest, of Missouri, of course.

Mr. WARREN. I am speaking of former Senator Lindsay, of Kentucky.

Mr. BACON. No; Senator Lindsay, of Kentucky, sat about where the Senator from Iowa is now sitting.

Mr. WARREN. That is of no importance. Speaking from about where the Senator is now standing, the Senator to whom I have referred stated that if we were to have a revenue tariff he would consent to make the average rate from 40 to 45 per cent. He finally said that he would not object to an average ad valorem of 45 per cent. That is my remembrance of his statement, though, of course, I speak from memory, as I have not looked it up lately. I recall with some interest that on the same afternoon a Senator who had been chairman of the Finance Committee when the Wilson-Gorman tariff measure was under consideration, made a statement something like that which the Senator from Georgia has made, that wool and woolsens bore a tariff of from 100 to 150 per cent; but his remarks the next day showed that, upon investigation, he withdrew that estimate as being too high. I think the Senator from Georgia, if he will go carefully into Schedule K, will find that his estimate is about as much too high in regard to the duty upon woolen fabrics as it was in the first place in regard to the duty upon raw wool, the average rate being about 58 per cent ad valorem on Schedule K, taken as a whole.

Mr. BACON. I will turn to the figures to see whether I am or not. Will the Senator kindly give me the number of the woolen paragraph?

Mr. WARREN. I think it is on page 52. I have not it before me; but I am reminded that that is the page.

Mr. ALDRICH. It is on page 53, and the average ad valorem on the wool schedule is 58.19 per cent.

Mr. BACON. Mr. President, I have something here that is better than the average.

Mr. ALDRICH. Undoubtedly; else there would not be so high an average.

Mr. BACON. I have, for instance, the item on the top of page 52, from which I read that the equivalent ad valorem on "wool and hair advanced in any manner or by any process of manufacture, beyond the washed or scoured condition, not specially provided for" is 140.55 per cent. On the next item, which is a variation of the first one, "all other manufactures wholly or in part of wool," the equivalent ad valorem is 128.11 per cent. On cloths, woolen, or worsteds, valued at not more than 40 cents per pound, it is 134.97 per cent ad valorem; valued at more than 40 cents per pound and less than 70 cents per pound, 118.89 per cent; and so on through the column.

Mr. WARREN. True, but the Senator has skipped a few figures there.

Mr. BACON. I am glad the Senator has called my attention to that, because it is exactly on the point I have just stated, and that is, that the higher duty is on the common articles that the common people of the country wear—I will read now, and see if I am not correct about that—whereas on the more expensive articles which the richer people wear the duty is put at much

lower rates. I will read the figures and see. I am glad the Senator called my attention to it, because the figures which I have inadvertently skipped—

Mr. WARREN. The Senator will admit there is nothing in the figures, or nothing in the description that he has given, that warrants the inference that he has drawn.

Mr. BACON. I am going to read it, and there will be no inference or anything else. On wool, hair of the camel, etc., advanced by any process of manufacture beyond washed or scoured condition, valued at not more than 40 cents per pound, the duty is 140.55 per cent; valued at more than 40 and not more than 70 cents per pound, it is 128.11. I will skip the statement in regard to the Philippine Islands, as it is not necessary to read that.

Now, mark you, on the same articles, valued at more than 70 cents a pound, the duty is 79.47 per cent. In other words, for the articles that the common people of the country wear the duty is almost 100 per cent more than on articles of a higher grade that the richer people wear. Those are the items that the learned and honorable Senator from Wyoming said I had omitted. I am under great obligation to him for calling my attention to them.

Mr. WARREN. The Senator overlooks the difference between articles partly manufactured and articles that are fully manufactured. Although the tariff is, of course, a larger percentage upon an item that is partly manufactured of wool and but little advanced, it does not cost as much, even if the percentage is higher, as where it is fully manufactured.

Mr. BACON. If the Senator is through, I shall make my reply. I say, Mr. President, that the items which I have read do not in any particular make any distinction between articles wholly or partly manufactured. I have read the entire language. I skipped not a word of it. It reads:

Wool and hair advanced in any manner, or by any process of manufacture, beyond the washed or scoured condition, not specially provided for—

And then:

All other manufactures wholly or in part of wool—

Not wholly or in part manufactured, "but wholly or in part of wool"—

Valued at not more than forty cents per pound, 140.55 per cent.

The increase on the grade below that—

Mr. ALDRICH. Mr. President—

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Rhode Island?

Mr. BACON. In a moment. On the next grade below—and when I say "below" I mean below in position on this page, but above the previous class in grade, finer, and more costly—valued at more than 40 and under 70 cents a pound, is less than the average rate on the cheaper, being 128.11 per cent.

Then as we go on down the next grade below it in the position on the page, but above it in grade, in quality, in value, and in price, is 79.47 per cent, all of it under the same designation of "all other manufactures wholly or in part of wool." No distinction is made between manufactured in whole or in part.

I want to go on because it is most instructive. The next is "cloths, woolen or worsted, valued not more than 40 cents per pound," 134.97 per cent, and those are the cloths of which the articles are made that the common people of this country wear, and they are put at the very highest notch—134 per cent. Then if they are a little more valuable than that the duty is less; "valued more than 40 and not more than 70 cents per pound," 118.89 per cent; "valued above 70 cents per pound" 94.32 per cent. That is the highest grade of that class, more expensive, not so generally used by the common people, and yet there is a difference there between 94 and 134.

The next one is Cuban reciprocity, which of course does not count.

Now, we come to blankets—blankets so necessary to the comfort and health of the common people as well as the rich people.

Mr. BURKETT. I should like to ask the Senator a question before he leaves that point.

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Nebraska?

Mr. BACON. I do.

Mr. BURKETT. What is the Senator advocating—that we raise one or lower the other?

Mr. BACON. I would lower all of them.

Mr. BURKETT. What is the schedule the Senator proposes to substitute for it?

Mr. BACON. I will say to the Senator that I will prepare, as Senators have shown curiosity upon that subject, and introduce an amendment to the entire woolen schedule—K.

Mr. BURKETT. Is the Senator going to lower them, as was stated yesterday, to a certain flat rate, a certain percentage?



Mr. BACON. If the Senator will abide in patience I will try to introduce it early enough to keep him from being unhappy over the delay.

Mr. BURKETT. I have been listening very intently to the Senator, and I have been trying to find out what the Senator is complaining about.

Mr. BACON. What I am complaining of, and what I think the Senator from Nebraska ought to complain of, and every other Senator who represents a constituency in my judgment ought to complain of, is that woolen goods, so essential to the comfort and the health and the decency of the great masses of the people, are put at the exorbitant rates of over 100 per cent, running from that up to 134 per cent.

Mr. BURKETT. The Senator does not understand me. That may be true. When we get to that schedule, if they are too high, we ought to reduce them. But the Senator complains here because the percentage of tariff on one is higher than on the other.

Mr. BACON. Of course. My complaint—

Mr. BURKETT. The Senator wants to equalize them. How does he want to equalize them—by bringing one down or putting the other up?

Mr. BACON. I will say if I made any discrimination whatever I would make it in favor of the cheaper articles of goods.

Mr. BURKETT. And would raise the tariff on the cheaper articles?

Mr. BACON. I would not raise the tariff. I would lower it.

Mr. BURKETT. You would lower it?

Mr. BACON. Yes; I would lower the tariff on the others, too.

Mr. BURKETT. There is a difference of 34 per cent between the two articles which he was comparing, although the rate of difference is not material. Suppose when the Senator lowered the duty he found that it did not protect?

Mr. BACON. The Senator now has reached a point where he and I do not travel on the same line.

Mr. BURKETT. I understand that, but the country, as I understand and I think the Senator understands, does not want this bill made in accordance with the ideas of the Senator from Georgia.

Mr. BACON. That is the question.

Mr. BURKETT. But in accordance with the protective policy. The majority over here are charged with making this law along protective lines and not according to the lines of the Senator from Georgia, and if he is going to advise us he must advise us along the lines that the people by their votes for forty or fifty years have indicated that they want a tariff bill made. What I want to get at is what is the Senator complaining of. He says on the cheaper grades the rate is too high. Suppose he reduces it and it would not be protective; or how does he know that it would be protective if he reduced it below what the rate is now. That is the question I am trying to get at—real information.

Mr. BACON. The Senator asks a question?

Mr. BURKETT. Yes.

Mr. BACON. If the Senator is content that the people of Nebraska shall pay 134 per cent upon the common articles in use among his people—

Mr. BURKETT. The Senator from Nebraska does not admit that on account of the tariff they do pay 134 per cent on the articles they buy.

Mr. BACON. Very well.

Mr. BURKETT. I do not admit that, to start out with.

Mr. BACON. That is what you give the producer of the article—the opportunity to charge the consumers. But I do not agree with the Senator from Nebraska as to the sentiment of the people of this country.

Mr. ALDRICH. Mr. President—

Mr. BACON. I hope the Senator will let me answer the Senator from Nebraska first.

Mr. ALDRICH. I want to make an appeal to the Senator from Georgia. We have been discussing the lead schedule for two days. The woolen schedule is not here. I appeal to the Senator from Georgia to postpone at least a part of his discussion of that schedule until that question is before the Senate.

Mr. BACON. The Senator will do me the justice to say I did not introduce the woolen schedule into this discussion.

Mr. ALDRICH. I do not know who introduced it.

Mr. BACON. Senators introduced it by asking me questions.

Mr. ALDRICH. I would be glad if the Senator would permit us to vote upon the two schedules.

Mr. BACON. I will in a very few moments. I hope I may be permitted to reply to the Senator from Nebraska.

Mr. BEVERIDGE. Mr. President—

Mr. BACON. Then I will yield with pleasure to the Senator from Indiana.

Mr. BEVERIDGE. All right.

Mr. BACON. Mr. President, I do not agree with the Senator from Nebraska that the people of this country are in favor of the protective system. I know that the party which favors the protective system is in power and has been in almost undisputed power for almost forty years, but in my judgment there never has been a time when there was not a very large proportion of the Republican party which was not in favor of the protective tariff. A great many other questions entered into the political campaigns which have determined the alignment of the voters. A great many men are Republicans by inheritance, because their fathers before them were Republicans, as the Senator from Iowa stated the other day was his case.

Mr. BURKETT. Does the Senator deny that a proportion—

Mr. BACON. I can not yield until I get through answering. The VICE-PRESIDENT. The Senator from Georgia declines to yield.

Mr. BACON. A great many, I repeat, are Republicans by inheritance. The vast number, more numerous than can be counted or estimated, have been induced to that alignment because they differed with the Democrats upon the money question and because the business element of the country favored what they believed to be the financial policy of the Republican party, which that party had the good sense to assume in advance of the Democrats. The time was when the leaders on the subject of free silver were Republicans, but they are a very wise set of men and they saw what was coming, and they allied themselves with the business interests of the country, and the number is beyond counting of the men who are in alignment with the Republican party under that influence who do not believe in the doctrine of protection.

There are Senators here voting with your party, not included among those who are regarded or are sometimes called insurgents, who in their hearts are not protectionists. They may believe in the general proposition that this country should have the advantage of its own commerce, but they are not in favor of a protective tariff which shall be prohibitory. And when a tariff is not practically prohibitory it is the question of degree which determines whether it is a protective tariff or a revenue tariff. And there are many who desire that American industries shall have an advantage over foreign industries in using the American markets who are strongly of the opinion that a revenue tariff will accomplish all that is desirable for that purpose. So I might go on and enumerate. There is a very vast number of men in this country who are with the Republican party because of race and color, and they hold the balance of power in a number of States in the North, who know nothing and care nothing about the question of a protective tariff.

Mr. President, when the people of the United States come to fully understand, as I now believe they are coming to understand, that under the protective tariff this immense tribute is wrung from them, and that the great masses of the people under that system not only pay this tribute to the producers, but that under a system which effects the double purpose of erecting a barrier and at the same time yielding a large part of the revenue, they are paying entirely the revenue of this Government, so far as it is raised by a tariff, and that there is no corresponding burden laid in support of the Federal Government upon the wealth of the country—when they come to learn, as I believe they are learning it to-day, Senators will wake up to a knowledge of a different public sentiment on this question.

They have not learned it in the past because of the favorable condition of affairs in the United States, because it has been easy for men to live here. It has been easy for them to pay their expenses, but conditions have changed. It is now a question almost of life and death with a large element of the people of this country. Not only is it a question of life and death among those in straitened circumstances, but a question of a more moderate character of ease and comfort, not simply among those who are straitened in circumstances, but those who have moderate incomes, salaried men, men living upon the proceeds of small business, and men who have to count carefully their dollars in order to see how they may be able to meet the expenses which are necessary not only for their comfort but for their decency of appearance. So I am not alarmed by the question propounded to me by the Senator from Nebraska.

Mr. President, I thank the Senate for its attention, and yield the floor.

Mr. NEWLANDS. Mr. President—

Mr. BEVERIDGE. I hope the Senator will permit me—

Mr. BACON. I want to say to the Senator from Nevada that I should like to yield to the Senator from Oklahoma [Mr. GORE].

Mr. ALDRICH. I hope the Senator will let us vote on this proposition.

Mr. NEWLANDS. I wish to call attention to one proposition. The Senator from New Hampshire asked the Senator from Georgia what percentage he thought would yield a fair revenue, and the answer, as I recollect it, was about 30 per cent. The Senator from New Hampshire then commented upon the smallness of the difference between the average which the Senator regarded as fair and the average duty collected under this bill—45 per cent.

I wish to call the Senator's attention to the fact that the 45 per cent is the percentage of duty collected, not the percentage imposed. The Senator does not realize that whenever a prohibitory rate is imposed, a duty of 70 or 100 or 150 per cent, that duty does not count as a factor in ascertaining the 45 per cent. The entire dutiable imports of this country amount to a little over \$600,000,000. The total duties amount to about \$280,000,000, and \$280,000,000 is about 45 per cent of \$600,000,000. That is the percentage of duty collected.

Now, we will assume that there are large and heavy duties under which there are no importations. It is perfectly clear, then, that the 45 per cent does not apply to them; and if the Senator will go through these schedules, he will find item after item where the percentage ranges way above 45 per cent, where the importations amount to almost nothing, and where the imposition of a high duty does not operate at all as a factor in determining the percentage of duties absolutely collected.

I claim that the duties imposed by this act are way in excess of 45 per cent, although the duties collected under this act amount to only 45 per cent.

The VICE-PRESIDENT. The question is on agreeing to the amendment reported from the Committee on Finance.

Mr. ALDRICH. On that the yeas and nays have been ordered.

The VICE-PRESIDENT. The yeas and nays have been demanded, but not seconded.

Mr. CUMMINS. Mr. President, I have a single word to say with respect to the paragraph under consideration. It has been stated by those who ought to know that unless the duty of a cent and a half a pound upon the lead in the ore is imposed our mines will be closed. I am willing to accept that statement, and I shall vote for the duty suggested by the Senator from Idaho and for the amendment proposed by the Senate committee. But I understood the Senator from Idaho to say also that it costs \$12.50 per ton to turn the lead in the ore into the finished product. If that be true, then the differential which is found in paragraph 180 is too great and should not exceed three-eighths of a cent per pound, instead of five-eighths, as it is.

Therefore if the amendment proposed by the committee to paragraph 179 be adopted, I shall propose an amendment reducing the duty proposed in paragraph 180, under the first part of it, to 1½ cents per pound instead of 2½.

Mr. GORE. Mr. President, I desire to ask if the vote will occur on paragraph 179—the duty to be imposed on the lead contents of the ore?

The VICE-PRESIDENT. That is the question now pending.

Mr. GORE. I merely desire, partly suggested by the remarks of the Senator from Iowa, to suggest a verbal change in this paragraph, which will probably be acceded to by the senior Senator from Rhode Island [Mr. ALDRICH]. I believe it was either Talleyrand or Pitt who observed that the object of language was to conceal thought. I do not think the Finance Committee has proceeded upon that theory, and yet I think the language employed in the paragraph does not express in the clearest possible way the true purpose and object of the provision.

This lays a tax of one and a half cents a pound on the lead contents in the ore. That, sir, is a duty of \$30 per ton. The theory of the committee is that the foreigner can produce lead for \$30 a ton less than we can produce it in this country, and the object of this provision is to cover that difference; is to tax the 90,000,000 American consumers \$30 a ton in order to pension the producers of lead in this country to that amount.

Mr. President, the price of imported lead in the ore in 1906 was \$32 a ton; the price of imported lead in 1907 was \$38 per ton. The current price of lead ore in the United States is \$86 per ton.

Now, sir, I conceive it to be a very modest and a very reasonable proposal to ask the American consumers to tax themselves to pay this difference of from \$30 to \$40 between domestic and imported lead. It would certainly be an act of shortsighted statesmanship to permit the American people to purchase foreign lead at from \$32 to \$38 per ton when with a modest tariff tax of \$30 we can produce it in this country for only \$86 per ton.

It would certainly be unfortunate to strike down—and I am unwilling to strike down—so vigorous, so prosperous, and so promising an industry by merely withholding a tariff duty to

the amount of \$30 per ton. I think it fair that we should tax the consumers to pay this difference, and I should regret to see any industry so thriving and whose beneficence is so universal stricken down by withholding a moderate tax of \$30 per ton.

I merely suggest that we substitute the words "\$30 per ton" for "1½ cents per pound."

The VICE-PRESIDENT. Is the demand for the yeas and nays sustained?

Mr. GALLINGER. The yeas and nays were ordered.

The VICE-PRESIDENT. They have not been ordered.

The yeas and nays were ordered.

Mr. LA FOLLETTE. Mr. President, I desire to say just a word before the vote is taken on the proposed amendment.

Personally I do not believe that it is possible under existing conditions in the lead industry to affect materially by any duty imposed the wages paid to miners employed in mining lead in this country, because I believe the lead-producing properties in this country are controlled by a combination which regulates prices in every branch of that industry.

I had my attention called to a dispatch in the New York Herald of yesterday, from which I quote the following:

[Special dispatch to the Herald via Commercial Cable Company's system].

LONDON, Wednesday.

Seventy per cent of the entire world's lead supply is to be brought under the absolute control of one group of separate corporations, working together in harmony. Prices are to advance from \$68.75 a ton, as at present, to \$95 or \$100 a ton.

The immense interests concerned comprise the Guggenheims and other large American producers, the Spanish Association of Producers, the Broken Hill interests of Australia, and the German lead trust. These interests have combined to control 70 per cent of the world's lead supply, and their position in the world's markets will enable them to make what prices they please.

I believe that the testimony furnished to the Ways and Means Committee established very conclusively the control by combination of production in this country prior to the formation of this combination for world control, as stated in the Herald.

However that may be, Mr. President, I am myself placed in a position where I shall withhold my vote upon this amendment, and for this reason: Some years ago, when I was not in official life, I acquired an interest in land in Wisconsin which was believed to be, and which has proven to be, in part, lead-bearing property. Some development has taken place upon it, and one portion of it is at this time producing lead ore in small quantities, and zinc ore as well. I make this statement now as covering both those products.

If maintaining duties or increasing duties affects the price of those products, I can not consistently and conscientiously vote upon this question as a Member of this body, and therefore upon this roll call I shall, for the reason stated, withhold my vote.

With respect to a tariff upon zinc ore, when that question comes before this body I shall consider it my duty to lay before the Senate certain facts bearing upon the cost of mining zinc in Wisconsin and in Mexico. Three counties in the southwestern part of the State have zinc deposits, and a large number of mines have been developed and operated. The owners of these mines and the men working in them have a right to a fair and full presentation of the facts of their case, and, as representing them here, I shall endeavor to discharge that duty. In doing so I shall remind the Senate of my personal interest in and relation to the industry.

The VICE-PRESIDENT. The Secretary will call the roll on agreeing to the amendment of the committee to paragraph 179.

Mr. BACON. While the request for the yeas and nays was made, I do not think they have been ordered.

The VICE-PRESIDENT. They have been ordered.

Mr. BACON. I beg pardon; I was not aware of it. I know they were called at a time when they were not ordered. They were probably ordered at another time.

Mr. BRISTOW. I understand we are now voting on paragraph 179?

The VICE-PRESIDENT. The Senator is correct.

Mr. BRISTOW. Which provides for a duty of 1½ cents a pound on the lead in lead-bearing ores.

Mr. BEVERIDGE. The same as the House provided.

Mr. LODGE. We are voting on the amendment to paragraph 179.

The VICE-PRESIDENT. The Secretary will call the roll on agreeing to the amendment of the committee to paragraph 179.

The Secretary proceeded to call the roll.

Mr. BRIGGS (when his name was called). The senior Senator from South Dakota [Mr. GAMBLE] is paired with the junior Senator from Tennessee [Mr. TAYLOR], my pair with the junior Senator from Tennessee having been transferred to the senior Senator from South Dakota. I vote "yea."



Mr. CLAY (when his name was called). I am paired with the senior Senator from Utah [Mr. SMOOT]. If he were present, I would vote "nay."

Mr. CULLOM (when his name was called). I have a pair with the junior Senator from Virginia [Mr. MARTIN]. For the present I will withhold my vote, hoping that he may come in before the roll call is concluded.

Mr. LA FOLLETTE (when his name was called). For the reason stated, I beg leave to withhold my vote.

Mr. NEWLANDS (when his name was called). I was paired with the senior Senator from South Dakota [Mr. GAMBLE], but by an arrangement that pair was transferred to the junior Senator from Tennessee [Mr. TAYLOR]. I vote "nay."

Mr. SMITH of Maryland (when Mr. RAYNER's name was called). I will state that my colleague [Mr. RAYNER] is paired with the Senator from Delaware [Mr. RICHARDSON]. If my colleague were present, he would vote "nay."

Mr. DU PONT (when Mr. RICHARDSON's name was called). I will state that my colleague [Mr. RICHARDSON] is paired with the senior Senator from Maryland [Mr. RAYNER]. If my colleague were present, he would vote "yea."

Mr. SUTHERLAND (when Mr. SMOOT's name was called). My colleague [Mr. SMOOT] is necessarily absent. If he were present, he would vote "yea."

Mr. WARREN (when his name was called). I am paired with the senior Senator from Mississippi [Mr. MONEY]. If he were present, I should vote "yea."

The roll call was concluded.

Mr. ELKINS (after having voted in the affirmative). I notice that the Senator from Texas [Mr. BAILEY] is not present. I am paired with him, and I will withdraw my vote. If he were present, I would vote "yea."

Mr. CULBERSON. I will state that my colleague [Mr. BAILEY] is necessarily absent from the Chamber this afternoon. He is paired with the Senator from West Virginia [Mr. ELKINS]. If my colleague were present, he would vote "nay."

Mr. CULLOM. As the Senator from Virginia [Mr. MARTIN] has not come in, I will withhold my vote. If I had a right to vote, I would vote "yea."

The result was announced—yeas 53, nays 19, as follows:

#### YEAS—53.

Aldrich	Clapp	Gallinger	Page
Beveridge	Clark, Wyo.	Guggenheim	Penrose
Borah	Crane	Hale	Perkins
Bradley	Crawford	Heyburn	Piles
Brandegee	Cummins	Hughes	Root
Briggs	Curtis	Johnson, N. Dak.	Scott
Bristow	Depeew	Jones	Smith, Mich.
Brown	Dick	Kean	Stephenson
Bulkeley	Dillingham	Lodge	Sutherland
Burkett	Dixon	McCumber	Warner
Burnham	Dolliver	McEnery	Wetmore
Burrows	du Pont	Nelson	
Burton	Flynt	Nixon	
Carter	Frye	Oliver	

#### NAYS—19.

Bacon	Foster	Newlands	Smith, S. C.
Bankhead	Frazier	Overman	Stone
Culberson	Gore	Shively	Taliaferro
Daniel	Johnston, Ala.	Simmons	Tillman
Fletcher	McLaurin	Smith, Md.	

#### NOT VOTING—19.

Bailey	Cullom	Martin	Richardson
Bourne	Davis	Money	Smoot
Chamberlain	Elkins	Owen	Taylor
Clarke, Ark.	Gamble	Paynter	Warren
Clay	La Follette	Rayner	

So the amendment was agreed to.

#### EXECUTIVE SESSION.

Mr. ALDRICH. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 5 o'clock and 10 minutes p. m.) the Senate adjourned until to-morrow, Saturday, May 8, 1909, at 11 o'clock a. m.

#### NOMINATIONS.

*Executive nominations received by the Senate May 7, 1909.*

##### SECRETARIES OF EMBASSIES.

A. Campbell Turner, of Missouri, now third secretary of the embassy at Constantinople, to be second secretary of the embassy of the United States of America at Constantinople, Turkey, vice William Blumenthal.

Charles B. Curtis, of New York, to be third secretary of the embassy of the United States of America at Constantinople, Turkey, vice A. Campbell Turner, nominated to be second secretary of the embassy at Constantinople.

##### SECRETARY OF LEGATION.

Gustavus L. Monroe, jr., of Mississippi, now secretary of the legation at La Paz, to be secretary of the legation of the United States of America at San José, Costa Rica, to fill an original vacancy.

##### POSTMASTERS.

###### GEORGIA.

Isaac A. Smith to be postmaster at Tennille, Ga., in place of Isaac A. Smith. Incumbent's commission expired December 12, 1908.

Leon P. Wimberly to be postmaster at Abbeville, Ga., in place of Leon P. Wimberly. Incumbent's commission expired February 10, 1909.

###### ILLINOIS.

John F. Ahrens to be postmaster at Gillespie, Ill., in place of John F. Ahrens. Incumbent's commission expired December 12, 1908.

###### IOWA.

Andrew F. Newquist to be postmaster at Stanton, Iowa. Office became presidential January 1, 1909.

###### OHIO.

George T. Baughman to be postmaster at Larue, Ohio. Office became presidential April 1, 1908.

Charles Doll to be postmaster at Lorain, Ohio, in place of Seward L. Bowman, deceased.

Adolphus D. Haney to be postmaster at Morrow, Ohio, in place of Adolphus D. Haney. Incumbent's commission expired February 10, 1909.

Vernie E. Humphrey to be postmaster at Fayette, Ohio, in place of Vernie E. Humphrey. Incumbent's commission expired January 5, 1908.

Howard B. Jameson to be postmaster at Dalton, Ohio. Office became presidential January 1, 1909.

John A. Kneisley to be postmaster at Osborn, Ohio, in place of John A. Kneisley. Incumbent's commission expired March 17, 1909.

Thomas C. Lichty to be postmaster at Antwerp, Ohio, in place of Oliver S. Applegate. Incumbent's commission expired November 19, 1907.

Ward B. Petty to be postmaster at Sycamore, Ohio, in place of Ward B. Petty. Incumbent's commission expired December 13, 1908.

W. A. Ritter to be postmaster at Napoleon, Ohio, in place of Elmer A. Palmer. Incumbent's commission expired March 8, 1908.

Charles E. Samuels to be postmaster at New Paris, Ohio. Office became presidential April 1, 1909.

George H. Willis to be postmaster at Bethel, Ohio. Office became presidential October 1, 1906.

###### OREGON.

Benjamin P. Cornelius to be postmaster at Hillsboro, Oreg., in place of Benjamin P. Cornelius. Incumbent's commission expired February 23, 1909.

###### SOUTH DAKOTA.

William Lester to be postmaster at Lake Andes, S. Dak. Office became presidential January 1, 1909.

Abram E. Van Camp to be postmaster at Highmore, S. Dak., in place of Abram E. Van Camp. Incumbent's commission expired February 1, 1908.

###### WISCONSIN.

Alvin P. Colby to be postmaster at Union Grove, Wis. Office became presidential January 1, 1909.

#### CONFIRMATIONS.

*Executive nominations confirmed by the Senate May 7, 1909.*

##### CONSUL.

A. Donaldson Smith to be consul at Patras, Greece.

##### APPOINTMENTS IN THE ARMY.

###### MEDICAL RESERVE CORPS.

###### To be first lieutenants.

Drs. Arthur Freeborn Chace, Edward Elisha Dorr, John William Keefe, John Johnson Kyle, Lewis Linn McArthur, Charles Mayrant Rees, Adolphe Manger Giffin, Samuel C. Gurney, James Adams Hayne, William Seagrove Magill, and Arlington Pond.

##### PROMOTIONS IN THE ARMY.

###### MEDICAL CORPS.

Capt. Edward F. Geddings to be major.  
Capt. Arthur W. Morse to be major.  
Capt. Frank C. Baker to be major.

## CHAPLAIN.

Chaplain John A. Randolph to be chaplain with the rank of major.

## PROMOTIONS IN THE NAVY.

The following-named ensigns to be lieutenants (junior grade):

Nathaniel H. Wright,  
Roland R. Riggs,  
Edward F. Greene,  
Isaac C. Johnson, jr., and  
Richard P. McCullough.

The following-named lieutenants (junior grade) to be lieutenants:

Nathaniel H. Wright,  
Austin S. Kibbee,  
Roland R. Riggs, and  
Edward F. Greene.

Passed Asst. Surg. Charles N. Fiske to be a surgeon.  
Asst. Surg. Howson W. Cole to be a passed assistant surgeon.  
Surgs. Robert E. Ledbetter and Charles St. J. Butler to be surgeons in the navy.

Second Lieut. William L. Burchfield to be a first lieutenant in the Marine Corps.

Surg. Philip Leach to be a medical inspector.

First Lieut. Thomas H. Brown to be a captain in the Marine Corps.

## APPOINTMENT IN THE NAVY.

Lester E. Wass, a citizen of Massachusetts, to be a second lieutenant in the Marine Corps.

## POSTMASTERS.

## MICHIGAN.

Alfred S. Follansbee, at Ontonagon, Mich.  
John V. Wright, at Coloma, Mich.

## MISSOURI.

Frank McNew, at Bloomfield, Mo.

## NEVADA.

Alice F. Langwith, at Golconda, Nev.

## NEW JERSEY.

Edgar I. Vanderveer, at Freehold, N. J.

## NEW MEXICO.

Ignacio Lopez, at Las Vegas, N. Mex.

## NEW YORK.

George A. Case, at Honeoye Falls, N. Y.  
Clarence A. Stone, at Elbridge, N. Y.  
Catherine Wiggins, at Cape Vincent, N. Y.

## OKLAHOMA.

Thomas Fennell at Fort Towson, Okla.  
Walter E. Rathbun at Coalgate, Okla.

## PENNSYLVANIA.

Clara Brown at Linesville, Pa.  
Mary J. Russell at Vilas, Pa.

## WISCONSIN.

Ernest S. Mottram at Markesan, Wis.

## SENATE.

SATURDAY, May 8, 1909.

The Senate met at 11 o'clock a. m.

Prayer by Rev. Ulysses G. B. Pierce, of the city of Washington.

The Journal of yesterday's proceedings was read and approved.

## PETITIONS AND MEMORIALS.

Mr. CULLOM presented a petition of sundry employees of the American Cutlery Company, of Chicago, Ill., praying for the retention of the proposed duty on imported knives or erasers, which was ordered to lie on the table.

Mr. HALE presented a petition of sundry citizens of Winthrop, Me., praying for a readjustment of the wool schedule to remedy the inequalities detrimental to the carded woolen industry, which was ordered to lie on the table.

Mr. BRANDEGEE presented a petition of Typographical Union, No. 329, American Federation of Labor, of Waterbury, Conn., praying for a reduction of the duty on wood pulp and print paper, which was ordered to lie on the table.

Mr. NELSON presented a petition of Typographical Union No. 136, of Duluth, Minn., praying for the adoption of certain changes in the duty on wood pulp and paper, which was ordered to lie on the table.

Mr. GALLINGER presented a petition of the Board of Trade of Rochester, N. H., praying for a reduction of the duty on raw and refined sugars, which was ordered to lie on the table.

## TARIFF ON DRESSED LUMBER.

Mr. GALLINGER. I present a letter from the Amalgamated Woodworkers' International Union of America relative to the wood schedule. I ask unanimous consent to have it read from the desk.

There being no objection, the letter was read and ordered to lie on the table, as follows:

AMALGAMATED WOODWORKERS'  
INTERNATIONAL UNION OF AMERICA,  
Chicago, May 5, 1909.

HON. JACOB H. GALLINGER,  
Washington, D. C.

DEAR SIR: On reading the Chicago papers I am very much surprised to note the agitation and discussion in Washington by some Republican Senators advising and arguing for the taking off that portion of the duty on lumber which is assessed on account of it being dressed or worked.

Representing, as I do, as secretary of the Amalgamated Woodworkers' Association of the United States, having 7,000 employees, all of whom are employed in the planing mills and obtain their livelihood through lumber being dressed in this country, I most earnestly protest against any reduction of the tariff on dressed lumber.

During the past ten years, in meeting the various lumbermen, planing mill men, sash and door factories, and others who employ our members, in discussing the question of advance in wages and betterment of our conditions, I have become reasonably conversant with the cost of dressing lumber in this country, and the proportion of cash paid out to labor, to the members of our organizations, of the actual amount these firms obtain for dressing stock. Compared with the present schedule of duty on dressed lumber, I am reasonably conservative in stating that 90 per cent of the extra tariff, as shown in the schedule in the duty on dressed lumber, is for actual cash paid out for labor, not over 10 per cent being retained by the owners of the planing mills for their gross margin, out of which should come a reasonable proportion each year for depreciation of their plant, for keeping up of repairs, etc., leaving them but a small percentage of the actual amount obtained for dressing as a net profit, almost the entire amount being for labor.

Further, the present high cost of living, which you, as well as everyone, must thoroughly appreciate, brought about by the high cost of all kinds of articles we must eat; for instance, take the cost to-day of flour, meats, all kinds of provisions, the entire production of the farmer, you can appreciate how impossible it is for us to consider taking any lower wages; in fact, at the present time many of the mills at which our members are employed for some time have not been running full time, working only six or seven hours a day, and in some cases not every day in the week, in many instances during this winter running only half time, thus netting us a very small sum of wages per week, not sufficient to live upon in a reasonable way.

On the 1st of last January, when a number of our contracts had expired and in bringing up the question of new contracts for our employees for the year, after a thorough discussion of conditions, the employers showed us they could not possibly make us any further advances under present conditions. We are thoroughly familiar with the fact that if the extra duty which is added for dressed lumber is taken off, as practically all of the lumber shipped in here from Canada comes in the rough, allowing it to come in here dressed would necessarily take from our members just that amount of work; if the tariff on dressed lumber is retained, the lumber will continue to come here in the rough, giving to the members of our association the work of dressing it here.

Owing to the fact that in most cases the cost of living and cost of supplies is much less in Canada than in this country, also that the planing mills in Canada are located largely in small towns, where the cost of house rent would be materially less than it is in the large cities of the United States, like Milwaukee, Chicago, Detroit, Cleveland, Buffalo, and North Tonawanda, where at least 80 per cent of the planing mills are located at which Canadian lumber is dressed when shipped into this country, naturally Canada can dress lumber for some less cost than in this country; and in addition to that, in shipping lumber by cars from Canada she would get a great advantage, for the reason that by dressing lumber the weight is materially reduced. For instance, on a 6-inch strip in the rough would weigh 2,500 pounds per thousand feet; if worked to flooring, would weigh not to exceed 1,700 pounds per thousand feet, or a saving of 800 pounds per thousand feet. Take as a reasonable basis a freight rate of 15 cents per hundredweight from Canadian manufacturing points to Chicago, Detroit, or Buffalo, the Canadian operator would save in the weight of the lumber, as lumber is shipped by weight, 800 pounds, at 15 cents, or \$1.20 per thousand feet. In addition to the present extra duty he is obliged to pay on dressed lumber, making a material extra profit for the Canadian operator, and taking away from our men a means of livelihood, transferring entirely to Canada all of this work which is now being done in this country, throwing thousands of our men out of employment, further, practically making useless and of no value the immense amount of money invested in planing mills in all the large cities of the United States. In Chicago there are some 30 planing mills; in Milwaukee, about 10; in Detroit, about 15; in Cleveland, about 15; in Buffalo and Tonawanda, about 30. Considering the above, you must appreciate how unjust it would be to the members of our association, and we fail to see any reason why any such proposition can be advocated. We most earnestly enter our protest against any such action and feel, after a reasonable investigation of the facts, that in place of advocating any such move you will be glad to enter a strong, earnest protest against it.

Respectfully submitted.

AMALGAMATED WOODWORKERS'  
INTERNATIONAL UNION OF AMERICA,  
Per JOHN G. MEILER.